

# Update Notice

## Handbook F-1

## Post Office Accounting Procedures

(Note: The vertical bars adjacent to the text in the online Handbook F-1 indicate *Postal Bulletin* updates have been incorporated.)

Handbook F-1, *Post Office Accounting Procedures*, originally published November 1996, has been updated with *Postal Bulletin* articles through 11/15/01, as follows:

- 487.64 — Procedures, is revised so that retail floor stock count results recorded to the corresponding AIC/GLA accounts do not require supporting documentation to be forwarded to the district Finance offices.  
*Postal Bulletin* 22063, November 15, 2001
- 317 — Credit and Debit Cards, is revised so that credit cards may be used for payments of mailer application and mailing fees, pre-canceled stamp permit fees, money order fees, money-by-wire fees, and Postal Customer Council (PCC) payments.  
*Postal Bulletin* 22060, October 4, 2001
- 764.2 — Withdrawing Postage Payments from Advance Deposit Accounts, title and text are revised so that postage validation imprinter (PVI) labels are no longer used when withdrawing funds from advance deposit accounts for business reply mail (BRM) and postage due mail.  
*Postal Bulletin* 22058, September 6, 2001
- 764.3 — Replenishing Forms 3582-P, title and text are revised to reflect change of recording all BRM/postage due accounts to AIC 114, Postage Due Invoices, using new PS Form 3582-P, *BRM/Postage Due Invoice*.  
*Postal Bulletin* 22058, September 6, 2001
- 764.31 — IRT and Manual Offices, is deleted.  
*Postal Bulletin* 22058, September 6, 2001
- 764.32 — POS ONE Offices, is deleted.  
*Postal Bulletin* 22058, September 6, 2001
- 765 — Postage Due Invoice Payment Method, is deleted.  
*Postal Bulletin* 22058, September 6, 2001
- 48 — Managing Accountable Paper and Cash at Offices with Segmented Inventory Accountability, is revised to reflect Segmented Inventory Accountability (SIA) changes.  
*Postal Bulletin* 22057, August 23, 2001
- 756 — Refundable Fees and Keys, new section added.  
*Postal Bulletin* 22042, January 25, 2001
- 755 — Reporting Payments for Keys and Post Office Box Lock Replacement, section title and steps 1> and 2> have been revised.  
*Postal Bulletin* 22042, January 25, 2001

- 764.3 — Withdrawing Postage Payments From Advance Deposit Accounts, has been revised to include POS ONE office procedures.  
*Postal Bulletin* 22041, January 11, 2001
- 761 — Handling Over-the-Counter Pickup, section has been clarified.  
*Postal Bulletin* 22041, January 11, 2001
- 715.6 — PVI Training Labels, new section added.  
*Postal Bulletin* 22041, January 11, 2001
- Exhibit 213 — AIC Amount Multiples, revised to reflect rate change effective January 7, 2001.  
*Postal Bulletin* 22041, January 11, 2001
- 487 — Conducting Counts, revised to incorporate PS Form 3294-C for cash credit accounts.  
*Postal Bulletin* 22041, January 11, 2001
- 755 — Reporting Payments or Refunds for Keys, changed to reflect account identifier code (AIC) description changes.  
*Postal Bulletin* 22040, December 28, 2000
- 487.43 — Overages, changed to reflect account identifier code (AIC) description changes.  
*Postal Bulletin* 22040, December 28, 2000
- 429.16 — Reconciling Stamp Credit, changed to reflect account identifier code (AIC) description changes.  
*Postal Bulletin* 22040, December 28, 2000
- 222.1 — Units using SFAP, changed to reflect account identifier code (AIC) changes.  
*Postal Bulletin* 22040, December 28, 2000
- 713.2 — Determining the amount Due the Customer, changed to reflect account identifier code (AIC) changes.  
*Postal Bulletin* 22040, December 28, 2000
- 317 — Payment of Passport Fees With a Debit Card  
*Postal Bulletin* 22032, September 7, 2000
- 526.3 — Stamps-by-Mail Losses  
*Postal Bulletin* 22031, August 24, 2000
- 714.2 — Postal Meter Resetting System  
*Postal Bulletin* 22029, July 27, 2000
- 223.1 — Daily Closeout of the Accountbook  
*Postal Bulletin* 22029, July 27, 2000
- 317.9 — Disposal of Credit and Debit Card Receipts  
*Postal Bulletin* 22028, July 13, 2000
- 317.6 — Credit – Debit Card Tolerance  
*Postal Bulletin* 22028, July 13, 2000
- Appendix A — under revision (as of June 15, 2000).

- Exhibit 423.4 — Stamps and Stationery — Ordering Quantities  
*Postal Bulletin* 22026, June 15, 2000
- Appendix A — New AIC for Global Direct Inbound (corrected in *Postal Bulletin* 22026)  
*Postal Bulletin* 22025, June 1, 2000
- 48 — Segmented Inventory Accountability  
(47 — Managing Accountable Paper at Postal Retail Stores Under Unit Accountability — deleted)  
*Postal Bulletin* 22022, April 20, 2000
- 631.1 and 722.3 — References to redesigned and retitled PS Form 3613  
*Postal Bulletin* 22021, April 6, 2000
- 47 — Assigned Unit Reserve Stock  
*Postal Bulletin* 22013, December 16, 1999
- 215.2 — Food Coupon  
The Postal Service no longer participates in the Food Coupon Program; therefore, all references have been deleted.
- 822.77 — Payroll Disaster Contingency Plan  
*Postal Bulletin* 22008, October 7, 1999
- 4 — Stamp Credits  
*Postal Bulletin* 22008, October 7, 1999
- Appendix A — Account Identifier Code Changes  
*Postal Bulletin* 22007, September 23, 1999
- 317.4 — Debit Card Cash Back Transaction  
*Postal Bulletin* 22006, September 9, 1999
- 151.4 — Postal Funds  
*Postal Bulletin* 22000, June 17, 1999
- 317 — Credit and Debit Cards  
*Postal Bulletin* 21998, May 20, 1999
- 452.1 — Processing Specific Categories of Stamp Stock  
*Postal Bulletin* 21998, May 20, 1999
- 715.3 — Resolving Differences When PVI and AIC 109 Are Out of Balance  
*Postal Bulletin* 21998, May 20, 1999
- Appendix A — Account Identifier Codes and General Ledger Account Crosswalk  
*Postal Bulletin* 21998, May 20, 1999
- Exhibit 423.4 — Stamps and Stationery — Ordering Quantities  
*Postal Bulletin* 21997, May 20, 1999
- 426.34 — Handling Stamp Credits for Special Use  
*Postal Bulletin* 21994, March 25, 1999

- 452.1 – Process Specific Categories of Stamp Stock  
*Postal Bulletin* 21994, March 25, 1999
- 632 – Handling Postage and Fees  
*Postal Bulletin* 21994, March 25, 1999
- 713.2 – Determining the Amount Due the Customer  
*Postal Bulletin* 21994, March 25, 1999
- 715.3 – Resolving Differences When PVI and AIC 109 Are Out of Balance  
*Postal Bulletin* 21994, March 25, 1999
- 476.13 – Overage  
*Postal Bulletin* 21993, March 11, 1999
- 514 – Clearing Trust Items  
*Postal Bulletin* 21993, March 11, 1999
- 822.76 – Emergency Salary Procedures  
*Postal Bulletin* 21993, March 11, 1999
- Exhibit 848.11, Claim For Loss  
*Postal Bulletin* 21993, March 11, 1999
- Exhibit 213, AIC Amount Multiples  
*Postal Bulletin* 21992, February 25, 1999
- 464 – Reviewing Non-SFAP Statements of Account  
*Postal Bulletin* 21991, February 11, 1999
- Appendix A — Account Identifier Code changes  
*Postal Bulletin* 21988, December 31, 1998
- Appendix A — Account Identifier Code changes  
*Postal Bulletin* 21987, December 17, 1998
- Appendix A — New Account Identifier Codes  
*Postal Bulletin* 21985, November 19, 1998
- 4 — International Reply Coupons  
*Postal Bulletin* 21984, November 5, 1998
- 422.21 — Accountability Stamp Stock Limits (For Main Stock/Unit Reserve)  
*Postal Bulletin* 21980, September 10, 1998
- 428.7– Obtaining Stamp Stock for Local Mailing Tests (revised procedures)  
*Postal Bulletin* 21976, July 16, 1998
- 745 – New Tolerances for Money Order Reconciliations  
*Postal Bulletin* 21976, July 16, 1998
- Appendix C, section C43.12 – Rescission of Direct Ordering of Bulk Stamp Stock – Post Offices Under Standard Field Accounting Procedures (SFAP)  
*Postal Bulletin* 21974, June 18, 1998

- Exhibits of Forms 2131 and 2134 — Correction to format of address label.  
*Postal Bulletin* 21972, May 21, 1998
- Miscellaneous Corrections — Handbook F-1 Available Online.  
*Postal Bulletin* 21971, May 7, 1998
- 32 – Collecting Nonsufficient Fund (NSF) Checks and Express Mail Corporate Accounts (EMCAs).  
*Postal Bulletin* 21968, March 26, 1998
- 416 through 791 — Miscellaneous Corrections.  
*Postal Bulletin* 21968, March 26, 1998
- 4 — Migratory Bird Stamp Disposition.  
*Postal Bulletin* 21964, January 29, 1998
- 511 and 526 — New Form 1412 and Banking Tolerance Level.  
*Postal Bulletin* 21961, December 18, 1997
- 429 — Vending Machine AIC 612 Update.  
*Postal Bulletin* 21960, December 4, 1997
- 631 — Closing an Inactive Trust Account.  
*Postal Bulletin* 21955, September 25, 1997
- 822.73 — New Salary Checks.  
*Postal Bulletin* 21955, September 25, 1997
- 312 — Personal Checks.  
*Postal Bulletin* 21954, September 11, 1997
- Exhibit 423.4 — Stamps and Stationery — Bulk Ordering Quantities.  
*Postal Bulletin* 21951, July 31, 1997
- 317 through 848 — Miscellaneous Revisions.  
*Postal Bulletin* 21944, April 24, 1997
- 744 — Correct Address for Money Order Branch.  
*Postal Bulletin* 21944, April 24, 1997
- 657.2 — Unnumbered Insured Articles (correction).  
*Postal Bulletin* 21943, April 10, 1997
- 657 — Unnumbered Insured Articles.  
*Postal Bulletin* 21941, March 13, 1997
- 656 — Submission Requirements for Form 3236.  
*Postal Bulletin* 21940, February 27, 1997

## Post Office Accounting Procedures

Handbook F-1

November 1996

- A. Explanation.** This is a complete revision of Handbook F-1, *Post Office Accounting Procedures*. All changes published in the *Postal Bulletin* from Transmittal Letter 16 through November 21, 1996 are included. These changes are detailed in Appendix D, *Information Crosswalk*. This handbook also includes procedures for the Integrated Retail Terminals (IRT) and for the Standard Field Accounting Procedures (SFAP).
- B. Revision.** This revision replaces all previous editions of Handbook F-1. The following handbooks are abolished as of this publication:
1. Handbook F-47, *Symbol 9500 Accounting Checks*, Transmittal Letter 1.
  2. Handbook F-48, *Bulk Requisitioning and MSC Accountable Paper Functions*, Transmittal Letter 1.
  3. Handbook F-49, *Federal Food Coupons*, Transmittal Letter 1.
  4. Handbook F-50, *Examination of Stamp Credits and Main or Unit Reserve Stock*, Transmittal Letter 1.
- C. Distribution**
1. **Initial.** This document is being distributed to all appropriate Headquarters, Areas, Districts, and Business Mail Entry Units personnel; all CAG A–L post offices; and all classified stations and branches.
  2. **Additional Copies.** Order additional copies from the material distribution centers on Form 7380, *MDC Supply Requisition*.
- D. Comments and Questions.** Address any comments or questions to:
- POST OFFICE ACCOUNTING  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW ROOM 8831  
WASHINGTON DC 20260-5242
- E. Effective Date.** This revision is effective upon receipt.



Richard Porras  
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# Acronyms and Abbreviations

ACH	automated clearing house
AIC	account identifier code
AMF	air mail facility
AO	associate office
AP	accounting period
APARS	accounts payable accounting and reporting system
APD	accountable paper depository
ARCMS	automated returned check management system
ASC	accounting service center
ASM	<i>Administrative Support Manual</i>
ATM	automated teller machine
BA	budget authorization
BEP	Bureau of Engraving and Printing
BMEU	business mail entry unit
BRM	business reply mail
BTR	bank transaction record
CAG	cost ascertainment grouping
CMRS	computerized meter resetting system
COD	collect on delivery
CPO	community post office
CPU	contract postal unit
CTAS	centralized trust accounting system
DAO	district accounting office
DDE/DR	distributed data entry and distributed reporting
DMM	<i>Domestic Mail Manual</i>
DTC	depository transfer check
EI	employer identification (IRS assigned)
ELM	<i>Employee And Labor Relations Manual</i>
EMCA	expedited mail corporate accounts
FDIC	Federal Deposit Insurance Corporation
FMM	<i>Financial Management Manual</i>
GLA	general ledger account
GPO	Government Printing Office
GSA	General Services Administration

## Post Office Accounting Procedures

ID	identification document
IMM	<i>International Mail Manual</i>
IRC	international reply coupon
IRS	Internal Revenue Service
IRT	integrated retail terminal
LWOP	leave without pay
MATS	meter accounting and tracking system
MNASC	Minneapolis Accounting Service Center
MOD	money order division
MOVET	money order voucher electronic transmission
MOWU	main office window unit
NDC	National Data Corporation
NSF	nonsufficient funds
OIC	officer in charge
OMAS	official mail accounting system
PEN	private electronic network
PFY	postal fiscal year
PMA	postmaster account
PO	post office
POM	<i>Postal Operations Manual</i>
POS	point of service
PQ	postal quarter
PSDS	postal source data system
PSFR	postal service financial report
PVI	postage validation imprinters
SDN	stamp distribution network
SDO	stamp distribution office
SDS	stamp distribution system
SF	standard form
SFAP	standard field accounting procedures
SFAS	standard field accounting system
SLASC	St. Louis Accounting Service Center
SMASC	San Mateo Accounting Service Center
SOA	statement of account
SOD	statement of differences
USDA	United States Department of Agriculture
USSEA	United States Stamped Envelope Agency
VMC	vending machine commissions
VMF	vehicle maintenance facility
YTD	year-to-date

# 1 General Information

## 11 What This Handbook Covers

---

This handbook contains the information and procedures that you as a postmaster or other installation head submitting a statement of account need to fulfill your financial responsibilities.

This chapter contains objectives and guidelines on the following topics:

- Accounting responsibilities.
- Liability for financial losses.
- Protecting accountable papers and/or items.
- Applying financial controls.
- Making the transition from manual to automated preparation of financial documents.

The remaining chapters contain detailed policies and procedures, including references to other publications, on how to meet the objectives discussed in this chapter.

## 12 Before You Start Reading

---

To save time and find what you need quickly, ask yourself the following questions before you start reading:

- Is your installation integrated retail terminal (IRT) or non-IRT?
- Is your installation standard field accounting procedures (SFAP) or non-SFAP?
- Is your installation a banking or nonbanking facility?
- Is your installation serviced by the stamp distribution office (SDO) or stamp distribution network (SDN)?

The procedures in this handbook are organized under these categories. You can find the sections and procedures that pertain to you most easily by first determining your installation's categories and then looking under the corresponding headings in each section for the procedures you need.

Place an X in each row beside the type of installation that best describes your office in the following table:

	<b>IRT:</b> A post office or reporting station or branch with a computer-based device that automatically calculates postage and fees and helps with the management of the financial operations.			<b>Non-IRT:</b> A post office that uses manual forms and/or documents to manage the financial operations.
	<b>SFAP:</b> A consolidation of several units, by way of data transmission, allowing one office to prepare a statement of account for all units under this concept.			<b>Non-SFAP:</b> A post office where the postmaster or a designee prepares its own statement of account, and a unit reporting to the district accounting office.
	<b>Banking:</b> A post office that manages its own bank account.			<b>Nonbanking:</b> A post office that makes deposits into a consolidated bank account administered by another post office or a district accounting office.
	<b>SDO:</b> A section of a major post office or district that receives and disburses stamps, stationery, and philatelic products. It provides stamps and stamp products for all post offices, stations, and branches within its service area.			<b>SDN:</b> An entity not reporting to a district that has its own finance number and services multiple districts. It provides all accountable paper stock and instructions to each unit (post office, station, branch, or contract) within its service area regardless of size.

## 13 Accounting Responsibilities

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### 131 Basic Accounting Responsibilities

Postmasters must collect all receipts to which their offices are entitled, account for all funds entrusted to them, and ensure that they meet accounting objectives.

### 132 Guidelines for Delegation

#### 132.1 Keeping Duties Separate

- 1> Maintain adequate internal control to separate the duties of personnel who handle cash or accountable paper from the duties of personnel who record and establish responsibility for financial transactions.
- 2> Make every practical effort to ensure that supervisory personnel responsible for the main stock do not make sales or handle cash.
- 3> Document all assignments.

#### 132.2 Exception

The provisions of section 132.1 do not apply when you have personal custody of accountable paper and funds, maintain the accountbook, and prepare the statement of account.

### 133 Guidelines for Verifying Data

#### 133.1 Verifying the Statement of Account

- >> In non-SFAP offices, the postmaster must verify that the statement of account is accurate and complete before signing.
- >> In SFAP offices, the district Finance manager or a designee must verify that the statement of account is accurate and complete before signing.

#### 133.2 Reporting False Entries

- >> Report any indications of false entries to the local inspector in charge (see *Administrative Support Manual* 220). A false entry made by a postmaster or postal employee in an official account to force a balance or show an incorrect condition violates federal law (18 U.S.C. 2073).

## 14 Liability for Financial Losses

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When an accountable financial loss occurs and evidence shows that the postmaster or responsible manager enforced U.S. Postal Service (USPS) policies and procedures in managing the post office, the Postal Service grants relief for the full amount of the loss. When evidence fails to show that the postmaster or responsible manager met those conditions, the Postal Service charges the postmaster or responsible manager with the full amount of the loss.

### 141 Other Employees' Liability

The postmaster or responsible manager consigns postal funds and accountable paper to other career employees. Employees are held strictly accountable for any loss unless evidence establishes that they followed the postal procedures established when performing their duties.

### 142 Demanding Payment for Losses

All employees must receive written notice of any money demand for any reason.

- >> The postmaster or designee must sign a letter of demand, which does the following:
- Notifies the employee of a USPS determination of the existence, nature, and amount of the debt.
  - Specifies the options available to the employee to (1) repay the debt or (2) appeal the USPS determination of the debt or the proposed method for repaying.

Regulations detailing the rights of nonbargaining unit employees and the collection and appeal requirements that apply are in *Employee and Labor Relations Manual* (ELM) 450. Requirements for collecting debts from bargaining unit employees are in ELM 460 and the applicable collective bargaining agreement.

## 15 Protecting Accountable Papers and/or Items

### 151 Accountable Paper Security

#### 151.1 Postmaster and Station or Branch Manager

- 1>** Ensure that protective equipment is used for maximum security at all locations. Observe the following priorities of protection.

Priority	Item
1	Postal funds (see section 37).
2	Postage stamps, aerogrammes, international reply coupons, migratory-bird hunting and conservation stamps (bird stamps), philatelic, and blank money order forms.
3	Stamped envelopes and postal cards, money order imprinters, nonsalable stamp stock, and nonpostal items.

- 2>** Ensure that the descending levels of security in your installation are followed.

Level	Equipment
1	Burglar-resistant chests in fireproof safes or security containers located in walk-in vaults.
2	USPS standard vaults or security containers.
3	Security chests or burglar-resistant chest portion of fireproof safes.
4	Fireproof safes or vaults not built to USPS standards.
5	Lockable metal cabinets and file drawers.

- 3>** Order equipment according to the criteria in Handbook AS-701, *Supply Management*, Chapter 2.
- 4>** Examine all equipment assigned to an employee used to protect stock or funds to ensure proper safekeeping.
- 5>** Ensure that all accountable paper received into and dispensed from the main stock/unit reserve is controlled. The responsibility for the main stock/unit reserve may be assigned only to a supervisory employee having no access to the cashbook. If this procedure is impractical, maintain the stock personally.

#### 151.2 Postmaster or Supervisor

- >>** Ensure that combinations and locks are uncompromised and changed whenever the equipment or employee is reassigned (see section 372).

**151.3 All Employees Handling Accountable Paper**

- >> Maintain accountable items in the security equipment and advise management in writing of equipment inadequacy or malfunction.

**151.4 Postal Funds****151.41 Keeping Custody**

Postal funds (a) must be kept safely without loaning, using, depositing in an unauthorized bank, or exchanging for other funds; (b) must be kept separate from personal funds.

- >> Keep postal funds inaccessible to the public and concealed from view. Make necessary arrangements for advance deposits, in addition to regular deposits, when funds in excess of normal operating needs accumulate early in the day. When funds are not continuously observed, keep them in locked receptacles.

**151.42 POS ONE Cash Drawer**

Retail service employees are required to use the POS ONE cash drawers for all daily retail service transactions as they occur. POS ONE cash drawers provide protection for postal funds collected at window service counters.

Retail service employees are to submit periodic advance remittance of funds when necessary. These remittances are to be entered to AIC 751 on PS Form 1412, *Daily Financial Report*, as delineated in 221.12.

**151.43 Making Deposits**

Postmasters must ensure that all postal funds, except the authorized cash portion of stamp credits and cash reserves, are deposited in the prescribed official bank account.

**151.44 Making Withdrawals**

Postmasters must not withdraw funds once deposited. Funds in the official bank account are transferred by Corporate Treasury.

**152 Controlling Accountable Receipts****152.1 Defining**

The receipt forms listed in the table below are controlled items. Do not reproduce locally.

- >> For non-SFAP offices, requisition them from the supply centers using a separate Form 7380, *Supply Center Requisition*.



- >> For SFAP offices, requisition them through the district.

Form	Title
1538	<i>Post Office Box Rent Receipt</i>
3544	<i>Post Office Receipt for Money</i>
3582-C	<i>Postage Due Invoice</i>
3602-PO	<i>Postage Collected Through Post Office Meter</i>
3603	<i>Receipt for Postage Meter Setting</i>

## 152.2 Recording by the Accountbook Unit

- 1> Assign a serial number in sequential order to each book of forms received from the supply source.
- 2> Record the distribution of numbered books to the various stations or branches.
- 3> Verify continuity of the receipt serial numbers when books of accountable forms are issued.
- 4> Notify the local inspector in charge if the recipient reports missing numbers or pages.

## 152.3 Processing Spoiled or Voided Forms

- 1> Staple together spoiled or voided forms.
- 2> Maintain them at the unit level.

# 16 Applying Financial Controls

The accounting service centers, inspection service, and individual post offices apply the financial controls designed to enforce safeguards and procedures in protecting USPS financial resources, as detailed below.

## 161 Accounting Service Centers

These centers audit statements of account to ensure that postmasters report and account for financial transactions, following USPS policies and procedures. Prepare a financial exception report for use by the local inspector in charge.

## 162 Inspection Service

The inspection service has the authority to audit postmaster accounts.

## 163 Post Offices

The postmaster or responsible manager is required to examine each facet of post office financial controls as outlined in this handbook.

## 17 Making the Transition From Manual to Automated Preparation of Financial Documents

---

The Postal Service has invested considerable time and money to provide an orderly transition from manual to automated preparation of many financial procedures. The following statement provides authority and guidelines to installations submitting a statement of account. If this statement does not clearly pertain to the situation at your installation, contact the district Finance manager.

You may substitute for the manually prepared forms described in this handbook any forms, records, and reports produced by Headquarters' approved automation device.

Approved devices are defined as programmable calculators, integrated retail terminals (with some exceptions), and micro- and minicomputers that record information in the device's memory or produce facsimile forms, records, and reports.

# 2 Financial Reporting Procedures

## 21 Policies and Background Information

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### 211 Overview

The beginning link in the chain of reporting is the *Daily Financial Report* (Form 1412) from a window clerk. Each individual Form 1412 is consolidated into a unit and entered into the post office accountbook. The district accounting office (DAO) prepares an accountbook and statement of account for standard field accounting procedure (SFAP) offices. The DAO also receives the statements of account from postmasters of non-SFAP offices. The DAO transmits the statement of account data to the Minneapolis Accounting Service Center (MNASC). The MNASC prepares a trial balance for management to use.

Current reports of all receipts, disbursements, and inventories are necessary to manage financial components in a professional, cost-effective manner. This chapter covers the following:

Section 22      Financial Reporting Procedures

Section 23      Random Verification Procedures

### 212 Responsibilities

#### 212.1 Post Office

##### Window Clerks

Individual clerks must prepare Form 1412, *Daily Financial Report*, each day.

##### Designated Employees

Designated employees at classified stations and contract stations must prepare a consolidated Form 1412 for the unit each day.

##### Postmasters

In SFAP post offices, the postmaster submits records to the DAO to prepare the accountbook and statement of account.

In non-SFAP post offices preparing their own accountbook and statement of account, the following conditions apply:

- In cost ascertainment grouping (CAG) A–J post offices, the postmaster or an employee working under his or her immediate supervision must prepare the accountbook and statement of account. At these offices, to the extent possible within available resources, the work should not be assigned to personnel who also handle cash or accountable paper.
- In CAG K and L post offices, the postmaster must personally prepare the accountbook and statement of account, except during periods of leave, when these tasks can be assigned.

## 212.2 District

### Finance Manager

The district Finance manager is responsible for the overall operation of the district accounting office.

### Supervisor of Accounting Services

The supervisor of accounting services is responsible for the day-to-day operation of the district accounting office, including the management of the standard field accounting system (SFAS).

## 213 Financial Reporting Terms

Terms you may need for financial reporting include the following:

Term	Explanation
<b>postal accounting period</b>	The Postal Service has 13 numbered accounting periods (APs). Each AP consists of two pay periods totaling 4 weeks (28 days). Each AP begins on a Saturday and ends at close of business four Fridays later.
<b>postal quarter</b>	There are four postal quarters (PQ). PQ I, II, and III contain three APs each, and PQ IV contains four.
<b>postal fiscal year (PFY)</b>	The PFY has flexible dates and does not necessarily correspond to the government fiscal year (GFY). The PFY is used for internal management reporting; the year number is determined by the calendar year in which the PFY ends.
<b>government fiscal year (GFY)</b>	The GFY begins on October 1 and ends on September 30. The year number is determined by the calendar year in which the GFY ends. Annual USPS financial reports are prepared on a government fiscal year basis.
<b>postal calendar</b>	The 13-period calendar for the next PFY is published each September in the <i>Postal Bulletin</i> and shows the dates of all holidays, pay periods, APs, and PQs. You should insert this calendar in the accountbook binder for reference.

Term	Explanation
<b>finance number</b>	<p><b>Uses.</b> The finance number is the key element in editing, processing, and validating financial data.</p> <p><b>How numbers are assigned.</b> Corporate Headquarters assigns each post office a six-digit finance number. The first two digits are a state code; the next four are uniquely assigned from 0001 through 9999 to each installation.</p> <p><b>Reporting finance number.</b> Data submitted to the accounting service center (ASC) must contain the post office finance number. All post offices must have a rubber stamp of their finance number to use on all documents that are not preprinted.</p>
<b>unit ID</b>	A four-digit ID assigned to each reporting unit in SFAS and used as the lowest level of identification in database records.
<b>account identifier code (AIC)</b>	<p><b>Definition.</b> Account identifier codes (AICs) are three-digit numeric codes used to classify financial transactions. Appendix A lists AICs in numeric order.</p> <p><b>Amount multiples.</b> Certain AIC entries are multiples of fixed amounts (see <a href="#">Exhibit 213</a>).</p> <p><b>Example:</b> The domestic money order fee is 85 cents; therefore, the total amount listed in AIC 101 on any financial report is a multiple of .85. For two money orders, the money order fee will be \$1.70.</p>

## 214 Daily Financial Report (Form 1412)

The *Daily Financial Report*, Form 1412, provides individual clerks and stations with a uniform method to report financial transactions.

The Forms 1412 come in the following versions:

Type	Description
<b>Form 1412-A</b>	Covers the scope of financial transactions for individual clerks, post offices, and classified stations. The form provides a running record of receipt controls for all retail and philatelic sales, money order transactions, stamp accountability, and cash retained.
<b>Form 1412-B</b>	Used primarily by contract stations. Designed to maintain stamp accountability; report postage, bird, and retail sales; and report money order sales and cash remitted and retained. There are blank lines for write-in entries.
<b>Automated Form 1412</b>	Consists of paper tapes provided by approved mechanical devices, such as integrated retail terminals (IRTs). The automated devices record all financial transactions made by clerks.

See [Exhibits 214a–c](#) for sample forms.

## 215 Accountbook (Form 1551 Series)

The accountbook accumulates financial data for periodic reports.

Type	Description
Form 1551 Series	Used by all CAG A–L offices. Form 1551 consists of seven forms, A through G (see <a href="#">Exhibits 215a–g</a> ).

### 215.1 Preliminary Instructions for Postmasters

**When you receive the accountbook**, verify that you received the correct series and quantity of each form (see section 225). Resolve any differences through your district Finance manager.

**At the start of the PFY**, insert the forms in the loose-leaf binder. Place the previous year's forms in a file folder or envelope, identify it with the PFY and content, and retain it for the period shown in *Administrative Support Manual* (ASM) Exhibit 351.31, Item 5-3.

### 215.2 Making Initial Entries

Mark the initial entries as shown in the following exhibits.

#### Forms 1551-A (Cover Page With Instructions)

- 1> Write PFY and starting and ending dates in space at top of form.
- 2> Enter required data in Part 2.
- 3> Transcribe data to Part 3 for money order requisitions you have not received from Part 3 of Forms 1551-A of the previous PFY.

#### Forms 1551-B (Daily Receipts and Disbursements)

- 1> At the start of a new accountbook, draw a line through the first disbursements page. Turn the first page so that, with the accountbook lying flat, the first receipts page is on the left and the second disbursement page is on the right. (Receipts and disbursement for the same week must both be visible when the accountbook is open flat.)
- 2> On line A of the receipts and disbursements pages, enter the week (1, 2, 3, or 4), AP, PQ, and each day's date. For each day that the office will be closed, write the reason down the column (e.g., Columbus Day).

#### Forms 1551-C, Part 5 (Trust Fund Accounts)

**Note:** Use these forms in offices where there is no need to identify customers and describe trust fund transactions.

- >> Do not transcribe balances from one PFY to the next. Place the preceding PFY forms in the loose-leaf binder with the current year's accountbook or maintain it in a separate loose-leaf binder.

**Forms 1551-D, Part 6 (Memorandum Record for SOA)**

At the start of each AP (CAGs A–G) or PQ (CAGs H–L), complete the heading.

- 1>** Make entries to the remainder of the form as they occur.
- 2>** At the end of the reporting period, total the columns as indicated. Each total must equal the cumulative total of that AIC on the last day of the period on the receipts and disbursements page.
- 3>** Reconcile before you transcribe the data to the statement of account (SOA).
- 4>** Verify that the total trust funds equal the balance in the master trust records.

**Forms 1551-E, Part 7 (Postal Revenue — Optional)**

- >>** Enter the cumulative totals each quarter of selected revenue and contra-revenue accounts. Completing this part is not required.

**Forms 1551-E, Part 8 (Record of Mail Keys)**

- >>** Transcribe the information from the previous accountbook for keys currently assigned or in the postmaster's control. All building and mail keys (LA, Rotary, Arrow, etc.) must be accurately recorded.

**Forms 1551-F, Part 9 (Postal Service Property — CAG L Only)**

- >>** At CAG L post offices, transcribe the information showing property still on hand from the prior year's form to the current year's form. Note additions and deletions as they occur.

**Form 1551-G, Part 10 (Daily Stamp Stock Record)**

- 1>** Transcribe ending balances of bird and postage stamp stocks of previous PFY to individual pages of Form 1551-D.
- 2>** Make entries to the proper page each day a transaction affects the dollar value of any of the inventories listed here: postmaster sales, relief clerk sales, stock received, or stock returned.

**216 Statement of Account (Form 1555)**

Offices that use the statement of account forms use the following forms as described:

Type	Description
<b>Form 1555</b>	Used by non-SFAP regardless of CAG offices.

## 217 Variations in Financial Reporting Procedures

Financial reporting procedures vary by unit based on the following:

- Integrated retail terminals (IRTs).
- Standard field accounting procedures.

Use the table below to find the procedures for your type of unit.

### Preparing Daily Financial Reports

Task	Sections	
	IRT Units	Non-IRT Units
Preparing the individual Form 1412	221.11	221.21
Finalizing the individual Form 1412	221.12	221.22
Consolidating the individual Form 1412 and preparing a unit Form 1412	221.13	221.23

Task	Sections	
	SFAP Units	Non-SFAP Units
Submitting the documents to the district accounting office or postmaster	222.1 (to DAO)	222.2 (to postmaster)

### Preparing Accountbooks and Statements of Account

Task	Sections	
	SFAP Units	Non-SFAP Units
Posting accountbook	223.1	223.2
Preparing statement of account	224.1	224.2
Finalizing statement of account	225	

## 22 Financial Reporting Procedures

### 221 Preparing Daily Financial Report

#### 221.1 IRT Units

##### 221.11 Preparing the Individual Clerk Form 1412

- 1> Print the Form 1412 in duplicate and it will automatically show the date, name, and accountability balances.



- 2>** Include every financial transaction on the form. Each transaction requires a specific supporting document, with the exception of cash remitted and the sales of postage, bird stamps, and retail products.

Accountable receipts, Forms 3544 and 3603, are generated from the IRT. Keep the IRT equipped with duplicate tape so that the original and a duplicate are printed.

#### 221.12 **Finalizing the Individual Clerk Form 1412**

- 1>** Print a preliminary Form 1412, a checklist, and supporting lists as determined by the day's business.
- 2>** Verify supporting documents, including those supporting stamp accountability.
- 3>** If possible, give the preliminary Form 1412 along with other lists and supporting documentation to the supervisor or designee for verification. For example, if a clerk has money order sales, the clerk must print a money order list and verify the listing against the actual vouchers to ensure that money order numbers and amounts match.
- 4>** Prepare cash remittance.
  - a. Verify checks with the checklist.
  - b. Count remitted funds to match the amount listed in AIC 752 on the preliminary Form 1412. Do not submit loose coins to the bank. Adjust stamp sales for the amount of loose coins.
  - c. When advance remittance of funds is necessary, enter to AIC 751 on Form 1412.
  - d. Visually estimate the cash. It should be within a \$5 tolerance of the authorized cash portion of the stamp credit. See section 426.4.
  - e. Verify credit or debit card transactions by accounting for all receipts listed. Check sequence number. Verify total receipt counts. Account for all receipts, since clerks are liable for missing receipts if a customer charges back an amount. AIC 762 and AIC 772 must equal the credit/debit terminal report.
  - f. Run adding machine tapes on non-automated supporting documents.
- 5>** Total receipts and disbursements. The IRT automatically totals and balances AIC 400 and AIC 800 on the Form 1412.
- 6>** Prepare heading and accountability sections. The IRT automatically posts receipt numbers for Forms 3544 and 3603, accountability balance (AIC 840), and cash retained balance (AIC 353). You must verify these data from the Start of Day printout.
  - a. Verify receipt control numbers to ensure that they are in sequence from the day before.

- b. Verify that AIC 840 equals the previous closing balance (AIC 853).
- c. Verify that AIC 353 equals the previous day's cash retained balance (AIC 753).
- d. Verify money order serial numbers against your block.
- 7>** Once the preliminary Form 1412 is verified with the supporting documentation, print a final Form 1412, along with all reports and lists associated with the Form 1412, including the error correction list.
- 8>** Sign the final Form 1412.
- 9>** Submit documents.
  - a. Submit final Form 1412, all supporting documents, and funds to the designated closeout employee, making sure the designated employee initials the AIC 752 entry for the funds on the clerk's copy of the final Form 1412.
  - b. Keep a copy of final Form 1412 through the next stamp credit examination.

221.13 **Consolidating the Individual Form 1412 and Preparing a Unit Form 1412 — Designated Employee**

- 1>** Clear each clerk.

Count funds remitted in the presence of the remitting clerk.

Initial the AIC 752 entry on the clerk's copy of Form 1412.
- 2>** Verify supporting documents.

For each clerk's Form 1412, verify that amounts on adding machine tapes and IRT lists agree with AIC entries on Form 1412.

Determine the cause of any difference and adjust totals shown on the Form 1412 to agree with supporting documents, as outlined below.

If...	Then...
The clerk is present and the clerk disk has not been consolidated,	Reopen the clerk disk and correct the discrepancies.
The clerk is <b>not</b> present or the disk has been consolidated,	<p>Adjust out-of-balance AIC on the unit Form 1412 and offset with an entry to miscellaneous trust or suspense. If the error is an overstated receipt AIC or an understated disbursement AIC, enter the difference to AIC 061, Miscellaneous Trust. If the error is an understated receipt AIC or an overstated disbursement AIC, enter the difference to AIC 761, Miscellaneous Suspense. Do not adjust AIC 090 to correct the unit Form 1412.</p> <p>Line out, initial, and write the correct amount on the clerk's Form 1412 to agree with the balance recorded on the supporting documentation.</p> <p>Prepare Form 1908, <i>Financial Adjustment Memorandum</i> (<a href="#">Exhibit 221.13</a>) in triplicate. Issue the original form and one copy of Form 1908 to the clerk. Maintain one copy of the Form 1908 in a pending file. For SFAP units, transfer data to the trust and suspense system (TASS) worksheet.</p> <p>On the clerk's next working day, request the clerk to make the required entry on the IRT (AIC 361 to clear suspense or AIC 461 to clear trust), sign the Form 1908, and submit the signed copy with the Form 1412. The clerk will submit the signed copy of Form 1908 to the accounting unit with the unit Form 1412. Retain the pending copy in the file. The clerk must retain the original for his or her records until the next stamp credit examination.</p>

**3>** Consolidate clerk disks and verify AICs.

- a. Consolidate all clerk disks used and print a unit Form 1412 and all applicable support lists.
- b. Verify that amounts on unit lists and adding machine tapes agree with the corresponding AIC on the unit Form 1412.
- c. If a postage validation imprinter (PVI) is used, verify the beginning and ending readings.

**4>** Prepare deposit.

- a. Consolidate remitted funds, with a witness, for deposit to the bank.

- b. Verify the amount counted with the amount listed on the unit Form 1412 in AICs 751 and 752 to ensure that they match.

**Note:** If only one unit deposit is prepared, do not report clerk cash remitted as AIC 751 on the unit Form 1412.

**5>** Verify credit or debit card transactions.

AIC 762 and AIC 772 must equal the credit/debit batch close report.

**6>** Verify heading and accountability sections.

**Receipt Controls**

- a. Verify the continuity of the forms issued for the day's business to ensure that no forms are missing. Use the IRT Form 3544 and Form 3603 list to verify.
- b. Verify each clerk's ending receipt number from prior business day with beginning receipt number used for the day's business.

**Stamp Accountability**

- a. Verify opening balances (AIC 840) to previous closing balances (AIC 853).
- b. Verify that AIC 853 on the clerk balances equals AIC 853 on the unit Form 1412.
- c. File clerk Forms 1412 in their record of stamp credits.

**7>** Sign the final Form 1412.

**8>** Submit documents.

**9>** Retain a copy of the Form 1412 according to Appendix B.

**10>** Maintain and update backup disks each day after verifying that all entries are correct. This will enable the site to quickly recover data in case of a disk failure.

221.2 **Non-IRT Units**

221.21 **Preparing the Individual Clerk Form 1412**

- >>** At the beginning of the day in which transactions occur, prepare a Form 1412 in ink and in duplicate, entering the date, name, and opening accountability balance(s). If an error is made, draw one line through the entry. Write the correction above and initial.

**Note:** Every financial transaction goes on the form, and each transaction requires a specific supporting document except cash remitted and the sales of postage, bird stamps, and retail products.

221.22 **Finalizing the Individual Clerk Form 1412**

- 1>** Add supporting documents by AIC and enter each total. Attach an adding machine tape to multiple documents. Use write-in entries when the AIC is not preprinted.

- 2>** Prepare cash remittance.
- Count all funds to be remitted and record in AIC 752 on the Form 1412. Do not submit loose coins to the bank.
  - When advance remittance of funds is necessary, enter to AIC 751 on Form 1412.
  - Visually estimate cash. It should be within a \$5 tolerance of the authorized cash portion of the stamp credit. See section 426.4.
  - Verify credit or debit card transactions by accounting for all receipts listed. Check sequence number. Verify total receipt counts. Account for all receipts, since clerks are liable for missing receipts if a customer charges back an amount. AIC 762 and AIC 772 must equal the credit/debit terminal report.

- 3>** Total receipts and disbursement.
- Total disbursement AICs and enter amount to AIC 800, Cash Accounted For.
  - Determine bird stamp sales by subtracting the physical count of bird stamps from the balance shown on Form 2960, *Inventory Record*.
  - Enter the sales amount to AIC 091 on Form 1412 and to the decrease column on Form 2960. Compute a new bird stamp balance.
  - Total receipt AICs and subtract amount from AIC 800. Enter the result to AIC 090, Postage Stock Sales. Total the receipt side and enter to AIC 400, Cash Required.

**Important:** AIC 400 and AIC 800 must be equal. If they are not, trace and correct errors.

- 4>** Prepare heading and accountability sections.

#### **Receipt Controls for Form 1412-A**

Enter the last number for Forms 1538, 3544, 3602-PO, and 3603. Unless clerks are assigned individual books, enter this information to the unit Form 1412-A.

#### **Stamp Accountability**

Take the opening balance, AIC 840, from the previous closing balance, AIC 853. Enter amount received to AIC 841, subtotal to AIC 845, stamped envelope discount to AIC 846, stock returned to AIC 848, and subtotal to AIC 851. Add AICs 090, 091, 092, 094, 095, and 096 for total sales and enter to AIC 852. Compute the closing balance and enter to AIC 853.

- 5>** Sign the Form 1412.
- 6>** Submit documents.

- a. Submit both copies of Form 1412, all supporting documents, and funds to the designated closeout employee, making sure the designated employee initials the AIC 752 entry for the funds on the clerk's copy of Form 1412.
- b. Retain copy of Form 1412 through the next stamp credit examination.

**Note:** Contract Station and Community Post Office Closeout Procedures use Form 1412-B according to this section.

### 221.23 **Consolidating the Individual Form 1412 and Preparing a Unit Form 1412 — Designated Employee**

- 1>** Clear each clerk.
  - a. Count funds remitted in the presence of the remitting clerk.
  - b. Initial the AIC 752 entry on the clerk's copy of Form 1412.
- 2>** Prepare a consolidated Form 1412.

Complete and sign. Write "Consolidated" at the top.

#### **Receipt Controls**

Enter the last number for each form, if forms are controlled by the unit.

#### **Accountability**

- a. Enter the previous day's consolidated Form 1412 closing balances to the opening balance line of the stamp accountability section.
- b. Compute and enter totals for each line item from unit Form 1412.
- c. Compute closing balance and compare to the total of closing balances reported on Forms 1412.
- d. Verify transactions between the main stock and the window clerks.
- e. Trace differences and correct them.

#### **Receipts and Disbursements**

- a. Compute and enter the total for each line item.
- b. Total each column.
- c. AIC 400 must equal AIC 800. If it does not, trace and correct errors.

#### **Adjustments**

- a. Prepare Form 1908 in triplicate. Issue the original and one copy to the clerk or unit whose Form 1412 contains an error. Retain one copy.

- b. The clerk or unit must make the required adjustment to the next Form 1412 and submit a signed copy of the Form 1908 as support.

**3> Verify supporting documents.**

For each clerk's Form 1412, verify that amounts on single supporting documents and totals on adding machine tapes attached to multiple documents agree with related AIC entries on Form 1412. Determine the cause of any difference and adjust totals shown on the form to agree with supporting documents.

**Example:** If Form 3602-PO totals \$100.00 and the Form 1412 entry into AIC 110, Post Office Meters, is \$110.00, correct and initial clerk Form 1412 AIC 110, changing it to \$100.00. Place the difference of \$10.00 in AIC 061, Trust, on clerk Form 1412 and issue Form 1908.

**Example:** Verify sequence numbers of money orders to ensure that none are missing and that they are being issued in numeric sequence.

**4> Prepare deposit.**

Consolidate remitted funds, with a witness, for deposit to the bank. Enter deposit to AIC 752.

**5> Verify credit or debit card transactions by accounting for all receipts listed. Check sequence number. Verify total receipt counts. Account for all receipts, since clerks are liable for missing receipts if a customer charges back an amount. AIC 762 and AIC 772 must equal the credit/debit terminal report.**

**6> Total receipts and disbursements.**

Run an adding machine tape on individual AICs from all clerk Forms 1412 receipts and disbursements sections and enter to the unit Form 1412. Total receipts and enter to AIC 400. Total disbursements and enter to AIC 800.

**Important:** AICs 400 and 800 must be equal.

**7> Make corrections.**

If AICs 400 and 800 are not equal, total receipt and disbursement AIC entries on individual clerk Forms 1412 and correct any forms out of balance.

**8> Prepare heading and accountability sections.**

**Receipt Controls**

From clerk Forms 1412, verify the last number for Forms 1538, 3544, 3602-PO, and 3603.

**Stamp Accountability**

- a. From clerk Forms 1412, enter total stamped envelope discount to AIC 846 and total sales to AIC 852, stamp accountability section.

- b. Verify opening balances to previous closing balances and transactions between the reserve stock and clerks; file clerk Forms 1412 in their record of stamp credits.
  - c. Verify that the ending balances of individual accountabilities (Form 1412, AIC 853) plus the main stock accountability (Form 3958) equal the ending balance of the unit accountability (Form 3959).
- 9>** Sign the form.
  - 10>** Submit documents.
  - 11>** Retain a copy of the Form 1412 according to Appendix B.

## 222 Submitting Documents — Designated Employee

### 222.1 Units Using SFAP

- 1>** Submit selected documents to DAO for verification daily.
  - a. On the day the transactions occur, send the following required daily documents for verification to the DAO:
    - Form 17, *Stamp Requisition* (for Emergency Transfers).
    - Form 97, *The United States Government Certificate of Release of a Motor Vehicle*.
    - Form 2130, *Claims for Loss and Documentation*.
    - Form 2944, *Receipt for Customs Duty Mail*.
    - Form 3083, *Trust Accounts Receipts and Withdrawal*.
    - Form 3236, *Uniform Allowance Cap Disbursements*.
    - Form 3419-A, *Customs*.
    - Form 3601-C, *Postage Meter Activity Report*.
    - Form 3602-PO, *Postage Collected Through Post Office Meter*.
    - Form 4595, *Sale-Purchase Agreement (Vehicles)*.
    - Remote Meter Resetting System (RMRS) — week 1 of an AP.
    - TASS worksheet or supporting documentation for posting detail TASS accounts.
    - All official mail accounting system (OMAS) documentation.
    - All invoices over the value of two postal money orders, all utility bills, and all 1099 bills for payment by district accounting through accounts payable accounting and reporting system (APARS) II.
  - b. Retain copies, along with other supporting documents.
- 2>** File other supporting documents.



- a. Group other supporting documents by day by AIC to facilitate auditing.
- b. At the end of each week, remove and band each group of documents from the file and place each in an envelope labeled with the unit ID, week, AP, and FY.
- c. At the end of each AP, place each weekly envelope in a large envelope labeled with unit ID, AP, and FY.

**3> File money order vouchers.**

- a. File money order vouchers daily. Submit money order voucher when directed by the DAO.
- b. At the end of each AP, remove, band, and store them until notification is received both that the money order reconciliations for that AP have been completed and the retention period has expired.

**4> File credit or debit card receipts.**

- a. File receipts daily at the Form 1412 level. See Appendix B for retention.
- b. Retrieve these receipts immediately upon request from DAO.

**222.2 Units Not Using SFAP (Including Contract Units)**

- >>** Send the signed Form 1412 with all supporting documents to the postmaster or designated employee.

**223 Posting the Accountbook**

**223.1 District Accounting Office — SFAP Units**

The DAO consolidates daily financial activities into a single accountbook and closes out the accountbook in the 1412 module of SFAS as indicated in the table below. The trust and suspense system (TASS) must be no more than 2 days behind the current 1412 date in SFAS.

Schedule for Accountbook Closure:

<b>Accounting Business Day</b>	<b>Close No Later Than Close of Business</b>
Thursday/Friday	Monday
Saturday/Sunday	Tuesday
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday

If all required support documentation has not been received and verified at the time the 1412-day is closed in SFAS, a file of missing documents must be maintained and monitored. If adjustments are required when the

documentation is received, they are to be entered on the current 1412 business date being processed in SFAS. If the support documents are not received at the DAO within 5 business days, make adjusting entries to place the unsupported entries into trust or suspense, and issue the appropriate Form 1908(s), *Financial Adjustment Memorandum(s)*, to the unit.

For offices that submit a printed Form 1412, the Form 1412 and money order data should be entered into the Money Order Voucher Entry System (MOVES) using the current business date being processed. The TASS business date should be no more than 2 days behind the 1412 business date in SFAS.

## 223.2 Postmaster — Non-SFAP Units

### 223.21 Starting a New PFY, AP, or PQ

Make the following initial entries.

- 1> Forward the amount on line G from the last day of the previous period to line B for the first day of the current period.
- 2> Enter the same amount to each “brought forward” and “period to date” or “quarter to date” column used during the reporting period. (Reporting period refers to AP for CAG A–G offices and PQ for CAG H–L offices.)
- 3> Forward the amounts in the analysis section and line G for the last day of the previous period to the analysis section and line G of the brought forward column for the first week of the current period (“previous period” refers to the reporting period immediately preceding the current period).
- 4> Make all entries in ink. When you make an error in an entry, line it out, initial, and write the correct amount above the lined-out entry. Do not erase or obliterate the original entry.

### 223.22 Making Daily Entries

- 1> Post each day’s transactions by the next working day.

Use one column for each day’s transactions. Each day the office is closed, write the reason (Independence Day holiday, etc.) down the column. Make daily entries as follows:

- a. Each business day, write the date on line A of the receipts and disbursements pages.
- b. Forward the amount on line G, ending accountability (disbursements page), from the previous day to line B, beginning accountability (receipts page).
- c. Enter the day’s receipts, using the appropriate AIC, in C, additions to accountability.
- d. Enter the day’s disbursements, using the appropriate AIC, in E, reductions in accountability.

- e. Use the blank lines for writing in the AIC, title, and amount of any infrequently used AIC. Use the same line throughout the reporting period.
  - f. Complete the cash, inventories, and suspense entries in the analysis section (disbursements page).
- 2>** Combine the business transacted by stations and branches with the business of the main office for the same date.
  - 3>** At banking offices record all banking activities on the bank transaction record (BTR) and in AIC 420 in the accountbook. See Chapter 3 for automated clearing house (ACH) call-in procedures.
  - 4>** At nonbanking offices, record the deposit including any adjustments in AIC 421 in the accountbook.

### 223.23 Balancing the Accountbook

- 1>** Enter totals as follows:

Calculation	Enter total...
Add line B, beginning accountability, and entries in C, additions to accountability.	On line D, beginning accountability plus additions to accountability (B+C=D).
Add the entries in E, reductions in accountability.	On line F.
Add the entries in the analysis section (cash, inventories, and suspense).	On line G, ending accountability.
Add lines F and G.	On line H, reductions in accountability plus ending accountability (F+G=H).

**Note:** Line D (receipts page) must equal line H (disbursements page), or an error has been made that you must trace and correct.

- 2>** Sign the "Certified to be Correct" block at the bottom of the receipts and disbursements pages.

### 223.24 Posting Cumulative Totals

- 1>** Make "Period to Date" or "Quarter to Date" column entries.
  - a. The entry on line B in this column is the same for the entire reporting period and is entered at the start of the period. Do not cross-add.
  - b. Add daily AIC totals cross in Section C and enter the total to "period to date" column. Enter the column total in Line D on the receipt page.
  - c. Add daily AIC totals cross in Section E and enter the total to "period to date" column. Enter the column total in Line F on the disbursement page.

- d. Enter in the analysis section and line G the same amounts as those appearing in the last daily column.
- e. Add the totals from lines F and G to obtain the entry for line H. Cumulative totals are in balance when line D equals line H.

**2> Make “Brought Forward” column entries.**

Except at the start of a new reporting period, copy this column directly from the preceding period to date or quarter to date column.

**223.25 Completing Form 1551-D**

- 1> Use this record to complete the reverse of the SOA. At the end of the reporting period, total the columns as indicated.**
- 2> Reconcile errors before entering the data to the SOA. Each total must equal the cumulative total of that AIC on the last day of the period on the receipts and disbursements page. Total trust funds must equal the balance in the master trust records.**

**223.26 Using the IRT-Generated Daily Financial Statement**

The IRT-generated daily financial statement is a summary of the transactions that affect the postmaster’s accountability for a given day. It is generated automatically each business day.

The daily financial statement is the equivalent of one column in the receipts page and one column in the disbursements page of the accountbook. This statement provides columns for the opening balance, increase, decrease, and closing balance for each AIC used.

- 1> Use the daily financial statement (DFS), not the consolidated Form 1412, to post to the accountbook. Use amounts in the “incrs” (increase) lines to post receipts and disbursements; use amounts in the “close” line of the analysis section of the DFS to post to the analysis section of the accountbook.**
- 2> When you find an error on the DFS that cannot be corrected because of system programming, line it out in ink, initial, and write the correct amount above the lined-out entry. Do not obliterate the original entry. It may be necessary to correct the DFS for the remainder of the AP or quarter. Perform all required verifications.**
- 3> Maintain a current backup disk in case of disk failure.**

**Important:** You are not authorized to use the IRT-generated daily financial statement in place of the accountbook.

**224 Preparing the Statement of Account**

**224.1 District Accounting Office — SFAP Units**

SFAP units send financial data to the DAO each day. The DAO consolidates and manages the information for the SOA. At the end of each AP, the DAO transmits the SOA to the ASC no later than the close of business (COB)

Monday following the end of each AP. If Monday is a holiday and Headquarters gives an extension, the DAO must transmit by COB on Tuesday.

## 224.2 **Postmaster — Non-SFAP Units**

The postmaster fills out the original SOA in ink and uses carbon for copies.

## 224.21 **Completing Heading Entries**

- >>** Complete all information at the top of both sides of the SOA. Be sure the finance number is correct and legible.

## 224.22 **Completing the Face of Statement of Account**

- 1>** Complete Section I — Beginning Accountability.

The beginning accountability amount must be the same as the total of Section IV accountability on the previous statement of account. This should be the same amount shown on line B, beginning accountability, in the final period or quarter to date column in the accountbook.

- 2>** Complete Sections II, III, IV — Additions to Accountability.

### **Reductions in Accountability and Ending Accountability**

- a. Copy the entries for these sections from lines C, E, and analysis in the final period or quarter to date column of the accountbook.
- b. Carefully copy all AIC amount entries on the correct line; incorrect entries result in statement of differences.
- c. Copy the title and number onto the statement of account for all write-in AICs. If space is not sufficient to enter all write-ins, leave one line blank in the appropriate section and enter the remaining write-ins on Form 1555, *Continuation Sheet*.
- d. Be sure to total sections II and III of Form 1555, *Continuation Sheet*.
- e. Enter these totals to a blank line in the appropriate section II or III on the statement of account page 1.

### **Proving Totals**

- a. Add section I, beginning accountability, to the entries in section II, additions to accountability.
- b. Add the entries in section III, reductions in accountability, to the entries in section IV, ending accountability. These two totals must be equal; otherwise a mistake has been made that you must trace and correct.

## 224.23 **Completing the Reverse of the Statement of Account**

Forms 1551-D, *Memorandum Record for Statement of Account*, are used.

- 1>** Complete Section V — Funds Transferred.

**Banking Post Offices**

- a. List the individual amounts of funds transferred by automated clearing house (ACH) call to the concentration bank.
- b. Enter the month and day for each entry.
- c. At the close of the reporting period, total the amount column. This total must equal the amount entered to AIC 420 on the face of the form.

**Nonbanking Post Offices**

- a. List the daily entries to AIC 421, Funds Transferred to Banking Post Office. This total includes deposits and adjustments.

**Example:** Your daily deposit is \$1,000.00 and you have entered \$10.00 in AIC 814, Suspense, to account for a returned item. The amount you post to AIC 421 is \$990.00.

- b. Enter the date and amount. At the close of the reporting period, total the amount column. This total must equal the amount entered to AIC 421 on the face of the form.

**2> Complete Section VI — Stamps Received.****Category**

List by type of stock (postage or bird stamps).

**CAG A–G Post Offices**

- a. For each item ordered from the bulk suppliers (Bureau of Engraving and Printing (BEP), United States Stamped Envelope Company (USSEA), or Government Printing Office (GPO)), enter the form number (3356, 3216, or 3205) and the three-digit requisition number.
- b. For requisitions from the stamp distribution office (SDO) or stamp distribution network (SDN), enter F-17.
- c. Complete date shipped, date received, and the amount of each order in the appropriate columns.
- d. For automatic distributions, enter the item number, date shipped, date received, and the amount.
- e. Enter emergency transfer between finance numbers.
- f. If the lines provided are inadequate for the number of requisitions, attach a separate sheet of paper and provide the appropriate information.

**Note:** Maintain bulk requisitions on Form 3036, *Record of Stamp Requisitions*.

**CAG H–L Post Offices**

- a. Enter date ordered, date shipped, date received, and the amount.

- b. At the close of the reporting period, total each type of stock separately. Each total must equal the entry to its AIC on the face of the form (AICs 005 and 010).
  - c. Enter emergency transfer between finance numbers.
- 3>** Enter trust funds.
  - a. Enter trust funds balance from previous SOA.
  - b. Enter trust funds received this period (AIC 080 and 082, as appropriate).
  - c. Add to the entry above it and place the result on the “total to be accounted for” line.
  - d. Enter the trust funds withdrawn (AIC 480, 482, and 483, as appropriate), subtract from the total to be accounted for, and enter this total on the balance at close of this period line. This balance must equal the master trust fund ledger.
- 4>** Complete Section VIII — Computerized Meter Resetting Revenue.

#### **CAG A–G Post Offices**

Enter the AP number and the amount shown on the hard copy report by the manufacturer on the Form 1555. This amount will always be for the prior AP.

#### **CAG H–L Post Offices**

Enter the AP numbers and the amounts for each AP from the manufacturer’s hard copy report in the spaces provided. The amounts will be for the last AP of the previous quarter and all but the last AP of the current quarter.

### 224.24 **Making Other Entries to Statement of Account**

- 1>** Provide explanatory remarks.
 

Use this block when it is necessary to provide brief remarks supporting entries on the SOA. Always reference the AIC in your remarks.
- 2>** Provide certification.
 

Sign and postmark the certification on the bottom of the reverse side of the form. Enter your telephone number, including the area code.

### 225 **Finalizing the Statement of Account**

- 1>** Verify the following items, as applicable, before you submit the SOA to your district accounting office.
 

Each postmaster or designee must make sure the SOA is accurate. Where resources permit, a person other than the one who prepares the SOA must make this verification.

<b>Totals</b>	The total of each part on the back of the form must equal its corresponding AIC entry on the face of the form.
<b>Trust fund items</b>	The balance at close of last period must be the same as the balance at close of this period entry on the previous SOA. The entries for receipts and withdrawals must correspond to the AIC entries on the face of the form.
<b>Beginning accountability</b>	This must be the exact total of the items in section IV of the previous SOA.
<b>AIC multiples</b>	The amounts entered to each AIC shown in <a href="#">Exhibit 215</a> must be in the proper multiples.
<b>Column totals</b>	The addition of the items in the two columns on the face of the form must be correct and equal to each other.
<b>Obvious errors</b>	There must be no obvious errors. There should be no entries in accounts not used by your office. Money order fees should not be larger than amounts of money orders issued. No entries of amounts in AICs should be different from those shown in the accountbook (wrong line entries).

**2>** Submit the SOA.

**CAG A–G offices** must submit the SOA so that it is received in the DAO by close of business on the Monday following the end of the accounting period. If possible, the statement should be submitted sooner.

**CAG H–L offices** must submit the SOA by the close of business on the Monday following the end of the postal quarter. The timely dispatch of the statement is of the utmost importance.

**Note:** Any exceptions will be in the *Postal Bulletin*.

**3>** Retain a copy of the SOA on file at the post office for the period indicated in Appendix B.

## 23 Random Verification Procedures

### 231 IRT Units Using SFAP

The DAO must do the following:

- 1>** Schedule random verification at least twice each fiscal year.
  - a. Select units of 1 week's manual documents randomly for review at least twice each fiscal year and prepare a control log to track



when random verification is completed for each SFAP reporting unit.

- b. No more than 2 days before a selected unit is scheduled for verification, notify the unit to submit the envelope containing supporting documentation for the selected week. If the documents are not received on time, determine reason(s) for delay and note on control log. If late submission continues, notify the Inspection Service in writing.
- 2> Verify 1 week's manual documents.
  - a. Upon receipt of the requested supporting documents, print a weekly AIC random support listing for the unit. Verify documents to the individual AIC entries excluding AIC 762 and AIC 772, which are reconciled on a daily basis.
  - b. Adjust differences identified on the current day's business and issue a Form 1908, *Financial Adjustment Memorandum*. When significant differences are identified, expand the review beyond 1 week.
  - c. Retain the verified random support listing in a file designated for this purpose and enter the review date to the control log.
  - d. Notify the Inspection Service immediately of any suspicious discrepancies or any discrepancies over \$500.
- 3> Return the documents to the reporting unit within one AP after verification is completed.
- 4> Retain document if discrepancies over \$500 are reported to the Inspection Service unless discrepancies were resolved.
- 5> Submit quarterly the random verification summary reports to the area finance office.

## 232 Non-IRT Units Using SFAP

- >> Verify documents from contract units and all sites that do not report electronically to the district accounting office according to section 221.23.

**Important:** If a problem is identified during the verification process, provide results of verification to the reporting unit and send a copy to the finance and operations managers.

## Exhibit 213

**AIC Amount Multiples**

Receipts		Disbursements	
AIC	Amount	AIC	Amount
010	15.00	407	1.00
084	0.40	491	15.00
091	15.00	502	15.00
101	0.25	511	15.00
103	0.25	520	15.00
112	1.00	534	0.50
115	0.10	586	0.25
116	375.00	806	15.00
117	125.00		
118	125.00		
134	125.00		
138	125.00		
139	10.00		
140	125.00		
141	125.00		
142	125.00		
155	375.00		
158	0.10		
172	125.00		
197	125.00		
264	15.00		

Exhibit 214a  
Form 1412-A, Daily Financial Report

Date	Name	Signature	I certify that this is a true statement and that the accountability assigned to me is as shown on this form.	In Service <input type="checkbox"/> Out of Service <input type="checkbox"/>	Finance Number Unit Office	Mail In Yes <input type="checkbox"/> No <input type="checkbox"/>																																																																														
				Receipt Controls Flow 1535 (From—through) 1590 (From—through) 3344 (From—through) 3002 PO (Numbers used only) Number of All Receipts: _____																																																																																
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1412-A, January 1995

**Daily Financial Report**

Exhibit 214b  
**Form 1412-B, Daily Financial Report**

US Postal Service  
**DAILY FINANCIAL REPORT**

Station or Unit		J. No.		Stamp Accountability	AE	3 Amount
I certify this is a true statement and the accountability assigned to me is as shown on this form.				Opening Balance	950	
Signature		Date		State Receipts (—)	951	
<b>Receipts</b>				Subtotal →	956	
				Stamped Envelope Discounts (—)	948	
Description		AE	3 Amount	State Returned (—)	948	
Postage Sales		990		Subtotal →	951	
Retail Stamp Sales		991		Total Sales (—)	952	
Miscellaneous Product Sales (Items 992-999 Only)		992		Closing Balance →	953	
Total Product Sales		993		<b>Disbursements</b>		
Domestic Money Orders	Value	100		Description	AE	3 Amount
	Fee	101				
Foreign Due		114				
Exec. Fees		116				
				Adjustment for Previous Overage		
Adjustment for Previous Shortage				Cash Remitted (Final)	702	
Cash Retained for Previous Period		953		Cash Retained Today	703	
Cash Required		400		Cash Accounted For	600	

PS Form 1412-B, June 1992 (Previous Editions Usable)

PSN 750-010-000-9001-9002-312-26512/95

Exhibit 214c  
Automated Forms 1412

*** U.S. POSTAL SERVICE *** UNIT NAME UNIT ADDRESS 12-3456 789 4.78 CLERK #99 DATE: 05/05/96 11:27:54 AM		1122 START DAY 553 CASH RETAINED .00 838 FOOD CPM OPEN .00 846 STAMPS OPEN .00	
*** U.S. POSTAL SERVICE *** ACCTO 30200 123456 20.00 12345 # 01 09-05-96 11:22:20		FINAL CLERK PS 1412 RECEIPTS	
COMMERCIAL RECEIPT #18 TYPE START# END# 00 1538 0000 00 3144 0001 00 0600 0000 00 0603 0001		00 TRUST FUND ADV .00 350 TOT SUSP CLEAR .00 400 CASH REQUIRED .00	
RECEIPTS 000 TR FUND ADV 4.00 003 TR FUND ADV 0.00 400 CASH REQUIRED 4.00		FOOD COUPON INVENTORY 800 FOOD CPM OPEN .00 801 FOOD CPM RECD .00 802 FOOD CPM RETURN .00 803 FOOD CPM CLOSE .00	
FOOD COUPON INVENTORY 800 FOOD CPM OPEN 4.00 801 FOOD CPM RECD 0.00 802 FOOD CPM RETURN 4.00		STAMP ACCOUNTABILITY 800 STAMPS OPEN .00 801 STAMPS SUBTOTAL .00 802 TOTAL SALES .00 803 STAMPS CLOSE .00	
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DISBURSEMENTS 400 TRUST FUND ADV 4.00 700 TOT SUSP ISSUED 0.00 751 CASH REMIT ADV 0.00 752 CASH RECD FINAL 0.00 753 CASH RETAIN TOY 0.00 800 CASH ACCT FOR 0.00		CERTIFICATION TO BE CORRECT SIGN HERE:	



## Form 1551-A (Reverse), Record of Postmaster/Manager/OIC in Charge

37

DISBURSEMENTS												
	WEEK	APR 1947	1-0	Suppl. Payment	Sol. Date	Non Date	Exp. Date	Rev. Date	T. Date	P. Date	Paid to Sub.	MT
A	4-1-47	101										402
	4-8-47	4-1										4
	4-15-47	4-2										10
	4-22-47	4-3										10
	4-29-47	4-4										10
	5-6-47	4-5										10
	5-13-47	4-6										10
	5-20-47	4-7										10
	5-27-47	4-8										10
	6-3-47	4-9										10
B	6-10-47	4-10										10
	6-17-47	4-11										10
	6-24-47	4-12										10
	7-1-47	4-13										10
	7-8-47	4-14										10
	7-15-47	4-15										10
	7-22-47	4-16										10
	7-29-47	4-17										10
	8-5-47	4-18										10
	8-12-47	4-19										10
C	8-19-47	4-20										10
	8-26-47	4-21										10
	9-2-47	4-22										10
	9-9-47	4-23										10
	9-16-47	4-24										10
	9-23-47	4-25										10
	9-30-47	4-26										10
	10-7-47	4-27										10
	10-14-47	4-28										10
	10-21-47	4-29										10
D	10-28-47	4-30										10
	11-4-47	4-31										10
	11-11-47	4-32										10
	11-18-47	4-33										10
	11-25-47	4-34										10
	12-2-47	4-35										10
	12-9-47	4-36										10
	12-16-47	4-37										10
	12-23-47	4-38										10
	12-30-47	4-39										10
E	1-6-48	4-40										10
	1-13-48	4-41										10
	1-20-48	4-42										10
	1-27-48	4-43										10
	2-3-48	4-44										10
	2-10-48	4-45										10
	2-17-48	4-46										10



## Form 1551-B (Reverse), Receipts

39

Exhibit 215c (p. 1)

## Form 1551-C, Trust Fund Accounts

[illegible]

**Form 1551-C (Reverse), Trust Fund Accounts**

Handbook F-1, November 1996  
Updated With Postal Bulletin Revisions Through November 15, 2001



## Form 1551-D (Reverse), Memorandum Record for Statement of Account

43

**Form 1551-E, Postal Revenues — Optional**

Handbook F-1, November 1996  
Updated With Postal Bulletin Revisions Through November 15, 2001

Form 1551-E (Reverse), Record of Mail Keys

Handbook F-1, November 1996  
Updated With Postal Bulletin Revisions Through November 15, 2001

[illegible]



[illegible]

Exhibit 221.13

**Form 1908, Financial Adjustment Memorandum**

U.S. POSTAL SERVICE			FINANCIAL ADJUSTMENT MEMORANDUM									
(Prepared by Office of Original Audit - copies to reporting unit - Retain in file)			EXAMINATION of the financial report indicated showed discrepancies as described below. If an adjustment is required, please indicate the adjustment made and return the duplicate copy of this memorandum with the next report.									
(Postmaster, Station Manager, Clerk-in-Charge, Military Post Office)			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">Financial Report (Check applicable item)</th> <th style="width: 20%;">Dated</th> </tr> <tr> <td><input type="checkbox"/> Form 1412</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Form 6019-MFO</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Bank Deposit Slip</td> <td></td> </tr> </table>		Financial Report (Check applicable item)	Dated	<input type="checkbox"/> Form 1412		<input type="checkbox"/> Form 6019-MFO		<input type="checkbox"/> Bank Deposit Slip	
Financial Report (Check applicable item)	Dated											
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<input type="checkbox"/> Form 6019-MFO												
<input type="checkbox"/> Bank Deposit Slip												
The deposit shown below indicated this discrepancy:			Make These Adjusting Entries									
Form 1412 Date	Amount of Deposit	Amount Verified by Bank										
Make the necessary adjustment on your next Form 1412 or Form 6019.												
The indicated Form 1412 AIC or Form 6019 Item No. contained this discrepancy:												
Date	No.	Explanation										
Date	Prepared by (Unit)		Signature									

PS Form 1908, April 1992 U.S. GOVERNMENT PRINTING OFFICE: 1995-202-691,734-2

[illegible]



**Form 1555, Statement of Account Continuation Sheet**51

# 3 Managing Postal Funds

This chapter explains the policies and procedures associated with accepting, processing, collecting, and managing postal funds. Managing postal funds falls under the following:

Section 31	Acceptable Payment for Postal Foods and Services
Section 32	Collecting Returned Checks From the Bank
Section 33	Funds Received
Section 34	Bank Account Maintenance
Section 35	Banking Reconciliations
Section 36	Collecting Postal Funds
Section 37	Protecting Postal Funds

## 31 Acceptable Payment for Postal Goods and Services

### 311 **Cash**

We accept cash — U.S. currency and coins — for all postal products.

**Exception:** Some foreign coins look like U.S. coins. When foreign coins are accepted in error, the coin is given the same value as the U.S. coin of the same size.

#### 311.1 **Redemption and Storage of Foreign Coins**

- 1> At retail units, report the value of foreign coins in AIC 761, Miscellaneous Suspense, and submit the coins to the person maintaining the accountbook. (Standard field accounting procedure (SFAP) units submit coins to the district accounting office (DAO).)
- 2> At the end of the postal quarter, remove the value from suspense and make an entry to AIC 624, Refund of Miscellaneous Postal Revenue.
- 3> At the time the entry is made, send foreign coins as follows. If the value is more than \$10.00, send via registered mail:

**Canadian Coins**

WESTERN NEW YORK DISTRICT  
 CLAIMS & INQUIRY SECTION RM 100  
 1200 WILLIAM STREET  
 BUFFALO NY 14240-9631

**Other Foreign Coins**

UNITED STATES POSTAL SERVICE  
 ATTN MANAGER MAIL RECOVERY UNIT  
 443 FILMORE AVENUE  
 ST PAUL MN 55107-9607

312 **Personal Checks**

- 1> Employees must accept checks in accordance with established procedures and any additional specific instructions from the postmaster.
- 2> Personal checks are accepted for all postal products, except money orders. See section 312.4 for exceptions.
- 3> A list of customers denied check acceptance privileges must be maintained and distributed to each station and branch. The customers assigned to the list should remain until their indebtedness is satisfied and/or until local management deems necessary. Any restriction on customers' check writing privileges must apply equally to all customers.

**Note:** You may accept a check for payment of a collection on delivery (COD) provided that the check is made payable to the sender. See *Domestic Mail Manual* (DMM) Module S920 for a discussion on handling procedures.

312.1 **Accepting a Personal Check at Retail Units**

Examine the check.

- 1> Make sure check is payable to the "U.S. Postal Service" or "Postmaster," by title only, in the exact amount of the purchase, with the current date.
- 2> Follow any special instruction appearing on the check, such as (a) a time limit or (b) more than one signature required.
- 3> Compare the signature on the check with the signature on an acceptable identification as described in section 312.2. Do not accept the check if the signatures do not match.
- 4> Record the type of purchase, such as permit number or postage meter number, on the front of the check in location A in [Exhibit 312.1](#).
- 5> Verify that the check contains the customer's name and address (starter checks are not acceptable). You should also request a telephone number; however, in some states such as Ohio, it is against the law to *require* customers to disclose their telephone numbers. If in doubt, contact the DAO concerning the state law.

- 6> Verify that the issuer of the check is not on the bad check list. If the customer is on the list, do not accept the check.

### 312.2 **Accepting a Personal Check at Business Mail Entry Units**

The business mail entry unit (BMEU) check acceptance procedures are as follows:

- 1> Verify that the issuer of the check is not on the bad check list. If the customer is on the list, do not accept the check.
- 2> Ensure that the customer's permit account is written on the check. The check should be made payable to the "U.S. Postal Service" or "Postmaster," by title only.
- 3> Write BMEU on the face the check.
- 4> Complete Form 3544 in triplicate. Give the original to the customer. Attach duplicate to the check and place in the lock box. Retain the triplicate in the BMEU. When checks are accepted for payment of annual fees, send the triplicate copy to the administrative office responsible for maintaining the mailer record such as Mailing Requirements, Finance, etc. Assign the correct AIC number on all Forms 3544.
- 5> At the end of the day, send all checks to the window unit responsible for processing permit account deposits for the BMEU. Include a bucksliip indicating the number of checks, Form 3544 receipt numbers, and total dollar amount enclosed. Include any voided Forms 3544.
- 6> Hand carry checks to the window unit or send via registered mail, depending on the location.

### 312.3 **Identifying Maker of Personal Checks**

#### **Known Customer**

- >> If a customer is known by name to a postal employee on duty in the unit, this employee writes "Customer Known" and initials on the front of the check in location A as shown on [Exhibit 312.1](#).

#### **Unknown Customer**

- >> If a customer is unknown by name, record the name and identifying number from one of the following photograph-bearing documents on the check in location A on [Exhibit 312.1](#):
  - Driver's license.
  - State-issued, nondriver identification.
  - Passport (foreign or domestic).
  - Military identification card.



If none of the above is presented, enter the issuer's name from two of the following documents on the check in location A in [Exhibit 312.1](#):

- Credit card. (*Do not record the credit card numbers.*)
- Other credential showing a signature.

#### 312.4 Refusing Personal Checks

Postmasters and unit managers have the right to refuse a personal check for a valid reason or to require more identification than the minimum requirements outlined in section 312.3. Postmasters and unit managers may also refuse all personal checks equally for a post office. Such a ban on accepting all personal checks, however, must be approved in advance, in writing by the district Finance manager.

### 313 Accepting Other Types of Checks

#### 313.1 Accepting Guaranteed Payment Checks

- 1> Accept certified checks, cashier's checks and drafts, nonpostal money orders, and checks covered by a check guarantee furnished by a bank. The maker must issue payment in the exact dollar amount of the purchase of postal products. Do not cash these types of checks.
- 2> When a purchaser is not known as a well-established customer, take extra precaution for certified or cashier's checks presented for the purchase of postage stamps in the amount of \$1,000.00 or more. Verify such checks and drafts with the issuing bank.

**Caution:** Certified checks, as well as business checks, are easy to replicate using laser printers.

#### 313.2 Accepting Checks From Government Agencies

- >> Accept checks issued by federal, state, county, or municipal agencies for the purchase of postal products. Do not cash government agency checks.

#### 313.3 Accepting Checks From Well-Known Businesses

- >> Accept checks from representatives of nationally known or well-known local businesses for the purchase of postal products. Do not cash well-known business checks.

#### 313.4 Accepting Checks From Less Well-Known Businesses

- >> Accept checks from representatives of less well-known businesses provided the business is reliable. A local business is considered reliable if it has been in operation for a year or more and appears financially sound. If a new business purchases postage stamps, contact the customer's bank the first time a purchase is made to determine if funds are on deposit to cover the check. Do not cash less well-known business checks.

**313.5 Accepting Traveler's Checks**

- >>** Accept traveler's checks issued by well-known, established firms or banks in payment for postal products, including postal money orders. Be sure to process the check with the terms stated on the check. Do not cash traveler's checks.

**Special Provision**

The amount of the purchase must be at least 50 percent of the amount of the traveler's check. This precludes the customer from making small purchases merely to cash the traveler's check.

**314 Items That May Be Cashed****314.1 Cashing Domestic Postal Money Orders**

- >>** Cash domestic postal money orders regardless of the issue date. Refer to the listing of Missing Money Orders U.S. Money Order Forms in the *Postal Bulletin*.

**Identification**

Require one form of identification described in section 312.3 if the customer is not known. Do not cash the money order if the signatures do not match or if the money order appears to be altered.

**314.2 Cashing Other Postal Money Orders**

- >>** Cash postal money orders, such as (the 7000 series Direct Service Money Orders, the 89 series Reissue International Money Orders, and the 99 series Replacement Money Orders), issued by those countries. See *International Mail Manual* (IMM), Part 391. Such money orders must be made payable in U.S. dollars.

**Identification**

Require one form of identification described in section 312.3 if the customer is not known. Do not cash the money order if the signatures do not match or if the money order appears to be altered.

**314.3 Cashing USPS Commercial Checks**

- >>** Cash USPS commercial checks, not more than 1 year old, issued by the accounting service centers, provided sufficient funds are on hand.

**Identification**

Require one form of identification described in section 312.3 if the customer is not known. Do not cash the check if the signatures do not match.

**Note:** Do not cash USPS commercial checks for anyone other than the payee(s) named on the face of the check. The payee, or payees if more

than one name appears on the check, must endorse the check in the presence of the accepting employee.

#### 314.4 Cashing Treasury Checks

- >> Cash Treasury checks, including USPS salary checks, provided sufficient funds are on hand. Do not retain cash for the sole purpose of cashing USPS salary checks on payday.

##### Identification

Require two forms of identification described in section 312.3 if the payee(s) is not known. Do not cash the check if the signatures do not match.

**Note:** Do not cash Treasury checks for anyone other than the payee(s) named on the face of the check. The payee, or payees if more than one name appears on the check, must endorse the check in the presence of the accepting employee.

#### 315 Endorsing Checks for Deposit

- >> Enter the date using a round-dater and the following restrictive endorsement on the back of each check accepted for deposit:

FOR DEPOSIT ONLY  
USPS (OR POSTMASTER, BY TITLE ONLY)  
CITY, STATE  
SFAS ID # XXXX (FOR SFAP UNITS)  
ACCOUNT # XXX-XXXX

**Note:** The round-date and restrictive endorsement must fit within the 1-1/2 inch trailing edge on the back of the check in location A as shown on [Exhibit 315](#).

#### 316 Depositing Postal Funds

- >> Deposit all cash (excluding authorized cash reserves), checks, and cashed items into the official bank account on the same business date transactions occur. Advise local bank managers to consult with the Federal Reserve Bank if they question the acceptability of any item discussed in this chapter. If the bank continues to refuse to accept these items, report the matter to the district Finance manager.

## 317 **Credit and Debit Cards**

Accept credit and debit cards for purchases at postal retail units as follows:

### **Credit Cards**

Credit cards may be used to purchase all postal products and services and to cover all fees (including auctioned vehicles and Postal Customer Council (PCC) payments) except the following:

- Trust fund deposits (including but not limited to Express Mail® corporate accounts, advance deposit accounts, business reply/postage due accounts, etc.).
- Bulk mailing deposits.
- Periodicals postage.
- Permit imprint revenue.
- Postage meter settings and on-site meter setting fees, initial and subsequent.
- Pre-canceled stamps.
- Money orders.
- Collect on delivery (COD) funds.
- Money-by-wire.
- Passport fees.

## 317.1 **Types of Cards Accepted**

### 317.11 **Credit Cards**

We accept these cards:

- American Express
- Discover/NOVUS/Bravo
- MasterCard
- VISA

### 317.12 **Debit Point of Service Network Cards**

We accept these cards:

- EXPLORE
- MAGIC LINE
- AFFN
- NYCE & Yankee 24
- BankMate
- Interlink
- Pulse PAY
- Cash Station
- Infinet
- THE EXCHANGE

- Maestro
- Pulse
- MPACT
- MAC
- Jeanie
- Instant Teller
- MOST
- Tyme
- STAR SYSTEMS
- ACCEL
- ALERT
- HONOR
- Gulfnet

**Note:** Any additions or deletions to the above lists will be announced in *Postal Bulletins*.

### 317.2 **Accepting Cards at Retail Unit**

- 1> Swipe all cards through the magnetic card reader and authorize (receive authorization code and approval on reader) by the card processor.
- 2> Enter passwords. Protect password and record using Form 3977 procedures. See section 372.

**Note:** No manual card swipe machines are authorized for credit and debit card acceptance. Do not accept telephone credit and debit transactions. Direct customers buying postage by phone to the USPS Stamps by Phone program (1-800-STAMP24).

### 317.3 **Accepting a Credit Card**

- 1> Enter the last four digits of the number embossed on the front of the credit card. The magnetic card reader will display an authorization number and print a receipt if approved.
- 2> If a card is swiped three times, the embossed card number may be entered after the terminal prompts for manual entry. Be sure to obtain authorization through the magnetic card reader and verify that the credit card is not beyond the expiration date.
- 3> The magnetic card reader will generate a two-part receipt. Require the customer to sign the receipt. For VISA and MasterCard, compare the signature on the back of the credit card with the signature on the receipt. They must match. Do not accept unsigned cards or cards endorsed. If there are discrepancies between signatures, ask the customer to provide additional picture identification. For American Express and Discover/NOVUS cards, verify that the customer's

signature is the same name embossed on the front of the card. Give the duplicate copy of the receipt to the customer.

- 4> Enter credit card transactions in AIC 762, Credit Cards Remitted. Submit original receipts for the day with your Form 1412. Keep original receipts filed at the unit level for use in researching any customer dispute.

**Note:** "See ID" is not acceptable. VISA and MasterCard consider this an unsigned card. Do not accept unsigned cards.

#### 317.4 **Accepting a Debit Card**

- 1> Swipe the debit card through the magnetic card reader.
- 2> Key in the amount of the purchase transaction.
- 3> When the Tranz 380 terminal prompts "Cash Back," ask the customer if he or she would like cash back.

**Note:** Cash back will be offered only if cash is available. Cash retained limits must not be increased. Cash back can only be given to customers purchasing postal products using an online debit card.

- 4> Key in amount of cash back requested.  
**Note:** Cash back amounts must be in increments of \$10.00 up to a maximum of \$50.00.
- 5> Ask the customer to enter a PIN using the handheld PIN pad. If approved, the magnetic card reader will print a two-part receipt. The receipt will show the amount purchased, the cash back amount, and the grand total.
- 6> Give the duplicate copy of the receipt to the customer.
- 7> Enter the total amount of debit card transaction (purchase and cash back) in AIC 772, Debit Cards Remitted.
- 8> Submit original receipts for the day with your Form 1412. Original receipts and Forms 1412 are to be filed at the unit level for use in researching possible customer disputes.

#### 317.5 **Disputed Charges**

The DAO verifies daily credit and debit card transactions by comparing amounts reported on the Unit 1412 to the automated file generated by the central card processor. Any difference is documented on a Form 1908, *Financial Adjustment Memorandum*, and sent to the reporting unit with the discrepancy.

#### 317.6 **Offices Maintaining Accountbooks**

AIC 762 flows to accountbook AIC 422, Credit Card Funds Transfer, and AIC 772 flows to accountbook AIC 423, Debit Card Funds Transfer. For CAG A-L/SFAP offices, discrepancies between these AICs are identified on an AP basis, and the Eagan ASC issues statements of differences (SODs) for any

discrepancy. For CAG H–L Statement of Account (SOA)/non-SFAP post offices, discrepancies between AICs are identified on a quarterly basis, and the Eagan ASC issues SODs for any net discrepancies over \$100.

### 317.7 Issuing Refunds

- >> Issue refunds in accordance with refund and exchange guidelines in DMM Module P014. If a refund is warranted, follow current procedures. Retail units do not issue credits to credit and debit card accounts.

### 317.8 Overcharges

#### 317.81 Debit Cards Overcharges

When a postal employee overcharges a customer on their debit card transaction, the Postal Service owes the customer *change*. The following procedures must be followed when a debit overcharge occurs:

- 1> Fill out Form 3533, *Application and Voucher for Refund of Postage and Fees*. Write **DEBIT OVERCHARGE** across the top of the form. Complete all pertinent information, including debit card receipt information and the amount overcharged.
- 2> Issue the customer a cash refund if cash is available. If cash is not available, issue a no fee money order. Place money order information on Form 3533. If cash is given write amount given on Form 3533. Have the customer sign Form 3533.

**Note:** Do not record debit overcharges to AIC 536, Postage and Fees Refund.

- 3> Staple Form 3533 to the USPS copy of the debit transaction receipt. Keep as documentation to support AIC 772, Debit Cards Remitted. Retain the receipt and Form 3533 at the unit with all documents associated with Form 1412, *Daily Financial Report*.
- 4> AIC 772 on the Form 1412 must match the debit transaction amount from the debit cards terminal.

**Example:** A customer purchases \$2.00 in stamps. The clerk enters \$20.00 when completing the debit card transaction on the terminal. Receipt reflects \$20.00, USPS owes the customer \$18.00 in change. Complete Form 3533 and give the customer cash or issue a no fee money order.

#### IRT Procedures

##### A cash refund is issued:

AIC (090) Postage Sales	\$2.00	AIC (772) Debit Card	\$20.00
		*AIC (752) Cash remitted	–\$18.00

**Note:** AIC 752 will automatically decrease by \$18. This will balance the Form 1412.

**A no fee money order is issued:**

AIC (090) Postage Sales	\$2.00	AIC (772) Debit Card	\$20.00
AIC (100) Domestic MO	\$18.00	AIC (586) No Fee	\$0.85
AIC (101) Money Order Fee	\$0.85		

**Note:** This will not affect cash remitted (AIC) 752.

### 317.82 **Credit Card Overcharges**

When a postal employee overcharges a customer on his or her credit card transaction, the postal employee who completed the original transaction can void the transaction the same day. If the customer identifies the error on a subsequent day of the transaction, process the overcharge as long as the batch has been closed under the refund guidelines as described in section 317.7, Issuing Refunds.

### 317.9 **Disposal of Credit and Debit Card Receipts**

Credit and debit card receipts must be destroyed after the required four-year retention period. Offices having on-site capability to shred documents should do so. Otherwise, offices must submit these receipts to their stamp destruction committee, if served by a stamp distribution office (SDO), or to their stamp return committee, if served by a stamp service center (SSC), for destruction. Offices not having the capability to shred documents on-site must bundle the receipts and submit them by registered mail, following their normal scheduled return or destruction procedures, with a signed memo requesting that the receipts be shredded. No accounting entries should be made into the stamp system for these receipts since they have no value.

## 318 **Funds Not Acceptable for Payment**

**>>** Do not accept the following for payment; respond to any inquiries made concerning their disposition:

- Postal savings certificates — These are of no value after July 13, 1985.
- Coupons from bonds — Refer holders to a bank.
- Foreign currency — Refer holders to a bank that deals in foreign exchange.
- Canadian denominative money orders, postal note type, and Canadian notched money orders not showing office of payment in the United States — Refer holders to a bank that deals in foreign currency.
- U.S. savings stamps in albums — Refer holders to a Federal Reserve Bank or branch, or advise holders to mail albums (at their own risk) to:

BUREAU OF PUBLIC DEBT  
CAPITAL AREA SERVICE CENTER  
1300 C ST SW  
WASHINGTON DC 20239-1500



## 32 Collecting Returned Checks From the Bank

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### 321 Collecting on Returned Checks

The U.S. Postal Service has a contract with CSC Services, a check collection agency, to collect on checks returned by the bank. You must use CSC unless previously authorized by Headquarters to use another service.

You may attempt to collect locally; however, checks should be sent to CSC as soon as possible if local check collection efforts are not successful.

**Special Note:** DAOs and banking post office postmasters must make arrangements with their banks to have nonsufficient funds checks redeposited (presented for payment a second time) automatically.

### 322 Assessing Surcharges for Returned Checks

Assess the maximum fee allowed by state law for checks collected locally. If state law does not provide a fee structure, assess a \$25 surcharge for each check collected locally.

Do not add a surcharge amount to PS Form 2131 when submitting checks to the collection agency. The collection agency will add the allowable fee when pursuing collection efforts.

### 323 Handling Exceptions

>> If checks are returned and are determined to be part of a scam to pass bad checks, retain the original check(s) for use by the U.S. Postal Inspection Service. In such cases, the postal inspectors need the original check to prosecute offenders. The value of this type of check should be written off as a claim for loss immediately.

>> If the clerk did not follow proper acceptance procedures, send the check to CSC. If collection cannot be made from the customer within a reasonable time, request the check from CSC and collect the amount due from the clerk.

### 324 Sending a Returned Check to the Collection Agency

#### 324.1 Responsibility

In a non-SFAP banking post office, the postmaster is responsible.

The DAO is responsible for all of its SFAP units.

#### 324.2 Processing a Returned Check

1> Complete Form 2131, *Uncollectible Check Report*, for each check by entering the information in the appropriate blocks. A sample of Form 2131, which is a two-part form, is shown in [Exhibit 324.2](#).

- 2> Enter the correct finance number and ensure that control numbers are assigned sequentially. (DAOs must use the district finance number for all checks submitted on behalf of SFAP units.)
- 3> Send the original Form 2131 along with the original check to CSC Services at the address preprinted on Form 2131.
- 4> Keep the duplicate copy of Form 2131 in chronological or alphabetical file, whichever method better serves your office for future research.
- 5> Account for the check sent to the collection agency by entering the amount of the check in AIC 615, Uncollectible Check Reported. Offset the AIC 615 entry by entering the amount of the check to AIC 363, Clearance Bank Shortage.
- 6> Enter the name of the customer on the bad check list. The customer name should remain on the list unless the postmaster or district Finance manager approves a customer's request to be removed from the list for a valid reason. The bad check list should be distributed to retail units no less frequently than once an accounting period.
- 7> Offices that collect returned checks locally should continue to collect the surcharge fee as allowed by the state or \$25 if no state law exists.

**Note:** DAOs may establish a local policy that specifies the time period that customers should remain on the bad check list. Such policies should take into account local economic conditions relative to the volume of returned checks. Customers who write a check that is never collected, however, should remain on the bad check list at least one year.

**Note:** District offices may use the automated returned check management system (ARCMS) to manage the bad check list.

## 325 Making Payments Locally

- 1> Do not accept payment locally for checks that have already been sent to CSC Services. If payments are received locally, attempt to return the payment to customer instructing him or her to send the payment to CSC.
- 2> Do not post the accountbook or deposit locally. After checks are sent to CSC, the fee cannot be waived locally. The customer must call CSC directly.

## 326 Showing Errors Made by Bank

- 1> If the customer's bank provides documentation showing that the bank made an error, contact the CSC program manager at 713-995-3522 to stop collection efforts. When making the telephone call, be sure to have the following information available:
  - control number.
  - date sent.
  - customer's name.

- 2> Follow up by sending CSC Services a copy of the letter from the bank and a copy of Form 2131.

## 33 Funds Received

### 331 Cash Reserves

In most cases, normal cash flow through window operations is adequate to meet the cash needs of the office. This is in addition to the cash portion of a stamp credit.

Cash Reserve	Procedures
<b>Normal cash flow is inadequate</b>	Withhold in cash up to 5 percent of the average daily postage sales of the office.
<b>To calculate 5 percent</b>	Total AIC 490 for the previous PQ. Divide by the number of business days (Mon. through Fri.) in that PQ and multiply by 5 percent (.05).
<b>Purpose</b>	The amount of cash authorized to establish a central source of change for window operations and meet all cash requirements at each station and branch.
<b>Exceptions</b>	The district Finance manager must authorize an amount more than 5 percent of average daily stamp sales. Make a written request with justification for a higher amount to the district Finance manager. Request authorization only in instances where adherence to the 5 percent level in multiples of \$100 would adversely affect window operations. The district Finance manager will reply in writing. Keep the letter of authorization on file at the post office.
<b>Consignment</b>	Consign to cash custodians on Form 3369, <i>Consigned Credit Receipt</i> , the amounts necessary to maintain their operations. Keep the signed Form 3369 with the record of stamp credits.
<b>Control</b>	Stations maintain their portion of the cash reserve (change fund) in cash retained on Form 1412.

### 332 Bank Account Relationships

#### 332.1 Establishing Bank Accounts

The Treasurer, U.S. Postal Service, will determine the cities where a depository for postal receipts must be located. The Treasurer will also determine to which depository each post office must remit its receipts. The district Finance manager will select the depository in accordance with guidelines established by the Corporate Treasury in the Handbook F-5,

*Banking and Cash Management*, and will designate the post office that is to maintain the account.

- >> When you open the account, title it "Postmaster, (name of city and state)."

### 332.2 **Protecting Postal Funds**

Postal funds must be protected by the Federal Deposit Insurance Corporation (FDIC). Funds in excess of FDIC coverage, as shown on the bank statement balance, must be protected by a pledge of collateral. The banking post office must have on file an advice of pledged collateral from the district Finance manager.

- >> If the bank account exceeds the amount pledged, notify the district Finance manager of the new maximum balance. The district Finance manager or designee will notify Corporate Treasury.

### 332.3 **Processing Bank Service Charges**

The district Finance manager authorizes payment of bank service charges.

- 1> Where charges are authorized and assessed, make payment and enter the amount in AIC 592, Commercial Bank Fees.
- 2> Where charges are not authorized but are assessed against the bank account, report the particulars to the district Finance manager. Do not make entries to AIC 592 without district Finance manager authorization.
- 3> Keep a copy of paid invoices.
- 4> File these by AP in support of entries on the statement of account.

### 332.4 **Changing Bank Name or Account Number**

- >> Whenever the bank name or account number changes, immediately notify the district Finance manager of the new name or account number and the effective date. The district Finance manager or designee will notify Corporate Treasury.

### 332.5 **Handling Correspondence**

- 1> Route correspondence from the bank and inquiries concerning the account through the Postmaster or the accountbook section of the banking post office.
- 2> Do not allow depositing units to correspond directly with the bank.

### 332.6 **Handling Deposit Shortages**

- 1> Arrange for the bank to return the envelope with the error notice or corrected duplicate deposit slip to the postmaster or accountbook section of the banking post office.
- 2> Notify Inspection Service of shortages of \$100 or more.

## 333 Depositing Funds — Banking and Nonbanking Post Offices

### 333.1 Making Deposits

- 1> Make deposits when postal funds in excess of the authorized cash reserve (see section 331) reach the following amounts:

CAG A–J offices	Daily, regardless of amount
CAG K offices	\$100
CAG L offices	\$100

- 2> When funds are received after the last deposit has been made, retain them and enter the total in AIC 753, Cash Retained, for Form 1412 reporting units or AIC 801, Cash in Post Office.
- 3> Register to the safe overnight and include these funds in the next deposit.
- 4> Make no more than one deposit a day unless security requires more frequent deposits or the bank requires separate deposits for checks and currency.

#### Vending Deposits

- >> For CAG A–G offices, cash must be deposited into the post office bank account from all retail vending equipment no less frequently than once per week.
- >> For CAG H–L offices, cash must be deposited after each full or partial servicing.

### 333.2 Preparing Deposits

- 1> Prepare deposit slips in sufficient quantities to provide for (a) original and copy as required by the bank and (b) copy for depositing unit (office copy).
- 2> Count funds in the presence of a witness; then have the witness make an independent count in the presence of the preparer.
- 3> Enter the amount of cash on the deposit slip. Deposit cash in whole dollars only. Include coin only when wrapped in full denomination rolls, such as 50 pennies, 40 nickels, 50 dimes, or 40 quarters.
- 4> For all cashed instruments, enter the amount and the following information on the deposit slip:
- USPS money order serial number.
  - Postal money order (IMM Part 391) serial number and country.
  - Traveler's check serial number and company.
  - Treasury checks serial number.

- 5>** Enter that the total of all checks described in sections 312 and 313. Enclose an adding machine tape or IRT list of each check with the deposit.
- 6>** Ensure that all paid items are properly initialed by the accepting employee and endorsed as outlined in section 315.
- 7>** Send the original deposit slip and copy, if required, with the deposit and retain a copy at the depositing unit. The depositor and the person who witnessed the counting, enclosure, and sealing of the envelope must sign the depositing unit's copy of the deposit slip and initial over the intersection of the envelope flaps or seal. If a witness is not available, it must be noted on the office copy of the deposit slip.
- 8>** Deposit funds to the bank account using the appropriate method described in section 333.3.

#### **Banking Post Office**

- >>** Verify the deposit slips that the bank has returned against Forms 1412 and nonbanking offices copies. Use Form 1908 to resolve discrepancies.

#### **333.3 Delivering Deposits**

- >>** Register all deposits unless exceptions are authorized by district Finance manager or the local Inspection Service.

#### **333.4 Handling Missing or Destroyed Deposits**

- >>** If a deposit is still missing or identified as destroyed after 5 workdays from the date of the deposit, contact identifiable customers (such as advance deposit or customer meter settings) by telephone and request that they issue a new check.

<b>If...</b>	<b>Then...</b>
A customer refuses to honor the request for a replacement check until receipt of his or her bank statement,	Keep the amount in suspense for 30 days and make weekly requests for reimbursement.
A customer absolutely refuses to replace the check,	Report this to the field legal office for replacement. Keep the amount in suspense until advised to do otherwise. If the customer has a meter or permit account, close the meter or the account.

#### **333.5 Processing at a Nonbanking Post Office**

- 1>** In addition to following the procedures in sections 333.1–333.4, make an extra copy of the deposit slips for depositing units of nonbanking post office.

- 2> Dispatch it to the accountbook unit of the banking post office at the same time the bank deposit is sent to the bank.
- 3> Enter to AIC 421, Funds Transferred to Banking Post Office, on the same date the deposit is made, the totals of the cash remitted entries from Forms 1412 of the depositing units of a nonbanking post office or the deposit amount of a single unit nonbanking post office.

**Note:** Offices using an automated bank deposit reporting system (such as USPS Talk) do not send a copy of the deposit slip to the banking post office.

### 333.6 Processing Electronic Funds Transfer

Customers may request an electronic funds transfer (EFT) to pay postage, particularly advance deposit, by transferring funds from their bank accounts directly to a post office bank account. When the request is received, contact district Finance manager for authorization and instruction. Refer to Management Instruction.

## 34 Bank Account Maintenance

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### 341 Bank Transaction Record — Banking Post Offices

Complete Form 3176, *Bank Transaction Record* (BTR). Make adjustments for discrepancies, and transfer funds to the concentration bank for each bank account ([Exhibit 341](#)).

#### 341.1 Making a Deposit

- 1> Enter all deposits reported as cash remitted entries on Forms 1412 of the banking post office as one total on the BTR.
- 2> Total and enter separately deposit slips from nonbanking post offices. Enter this total to AIC 181, Funds Received From Associate Offices, in the accountbook.
- 3> Verify that the ending balance on the BTR equals AIC 802, Cash in Bank, for the day the deposits were made.

#### 341.2 Preparing Credit and Debit Memoranda

- 1> Enter memoranda from the bank on the day they are received to adjust the balance.
- 2> Enter memoranda concerning depositing units to the banking post office, overage amounts to AIC 080. Enter shortages to AIC 814. Complete and issue Form 1908 to the appropriate depositing unit detailing specific entries to be made.
- 3> Enter memoranda concerning depositing units of nonbanking post offices to AIC 181. Enter an overage as an increase to AIC 181, and a shortage as a decrease. Complete and send Form 1908 to the

nonbanking post office directing increases or decreases to AIC 421, as appropriate.

## 342 **Transfer of Funds — Banking Post Offices**

The balance on the BTR must be transferred each business day on which balances exceed those stated in section 341.2.

- 1> Transfer amounts in whole dollars only. Do not round up amounts.
- 2> Enter the transfer amount to the transfer column and compute a new balance. On the date the call is made, enter the amount to AIC 420, Funds Transferred to Concentration Bank.

The new balance will be the remaining cents.

### **Automation**

Do not use Form 3176 in a banking post office that is on automated systems providing the information in section 341.

## 342.1 **Transferring Postal Funds to the U.S. Treasury**

Postal funds are transferred from the official bank account by the Federal Reserve Bank, Atlanta, Georgia, upon receipt of authorization from the post office. That authorization is provided through a telephone call to the National Data Corporation (NDC). Postal funds are transferred by the Federal Reserve Bank using automated clearing house (ACH) procedures.

The district Finance manager will supply the instructions and phone number for making the call, the company number, and the unique identification number for the office.

- 1> Make the phone call to NDC as early as possible the next morning but no later than 11:30 a.m. local time, Monday through Friday (except Postal Service holidays).
- 2> Combine Saturday deposits with Friday deposits and call in on Monday.
- 3> Do not call NDC on Saturday or Sunday.
- 4> When the call is not made by 11:30 a.m., do not hold deposits and combine them with the next day's call. Call them in as soon as possible after the 11:30 a.m. deadline.

## 342.11 **Criteria Governing Calls**

### **CAG A–G Post Offices**

Call NDC when the amount of postal funds available for transfer is \$1,300 or more. Except on Thursdays, transfer amounts of \$650 or more.

### **CAG H–L Post Offices**

Call NDC when the amount of postal funds available for transfer is \$650 or more. When funds do not accumulate to \$650 or more, call in the amount carried in AIC 802 on the first Thursday of each accounting period.



**342.12 Verification Code**

The NDC operator will supply a verification code for each transaction. The first two digits are internal to the NDC operation. A two-digit code from the operator signifies that the NDC computer is inoperative. When the NDC computer is operating, a four-digit code will be given; the last two digits provide a computation of the amount of the call.

Make the verification code calculation before making the NDC call. This will ensure that the amount recorded by NDC is the same as the amount called in. If it is not the same, the call can be corrected or canceled. The computation is the sum of the digits plus the number of digits.

**Example:** A call-in amount of \$1,875.00 has a verification number of 27, computed as follows:

$$1 + 8 + 7 + 5 + 0 + 0 = 21 + 6 \text{ (digits)} = 27.$$

The NDC operator should give a verification number of XX27.

**342.2 Recording Entries****Banking Post Offices**

- >>** Enter the total amount transferred to NDC to AIC 420 and the memorandum record for the statement of account (SOA).

**Nonbanking Post Offices**

- 1>** Enter the totals of the cash remitted entries from Forms 1412 of the depositing units of a banking post office or the deposit amount of a single-unit nonbanking post office to AIC 421, Funds Transferred to Banking Post Office, on the same date the deposit is made.
- 2>** Enter the total amount of each day's deposits to the memorandum record for the SOA.

**Consolidated Bank Account**

- >>** In non-SFAP banking post offices maintaining a consolidated bank account, maintain a supporting ledger of individual deposits and any adjustments for nonbanking post offices.

**342.3 Verifying Deposit Slips****Banking Post Offices**

- 1>** The bank will confirm deposit slips and return them to the banking post office, which must verify them against Forms 1412 and nonbanking post offices' copies. Use Form 1908 to resolve discrepancies.
- 2>** At the discretion of the banking post office, return confirmed deposit slips to the accountbook unit of the nonbanking post office or retain in support of the statement of account.

**Note:** District accounting offices may have their banks discontinue the return of confirmed deposit slips if they are on the automatic bank reconciliation program approved by Headquarters.

#### **Nonbanking Post Offices**

- 1> Verify the entries to AIC 421 and the memorandum record for the statement of account with the confirmed deposit slips if they are returned by the banking post office.
- 2> Retain the confirmed deposit slips as support for the SOA.

## 35 Banking Reconciliations

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### 351 Requesting Bank Statements

- 1> Request bank statements from the bank on a schedule no less frequent than once each calendar month.
- 2> The bank statement must be accompanied by paid deposit transfer checks (if used) and copies of debit or credit memoranda, unless these items are received more frequently.
- 3> If ACH procedures are used, a debit memorandum in lieu of depository transfer checks (DTCs) may or may not accompany the bank statement, depending on local bank procedures.
- 4> Identify individual withdrawals on the bank statement.

### 352 Procedures for Bank Reconciliation

#### 352.1 Reconciling Manually

- 1> Reconcile the bank statement balance to the amount recorded in AIC 802 as of the bank statement date immediately upon receipt of the bank statement.
- 2> Record reconciliation either on the reverse of the bank statement or on a separate document, depending on the bank account activity.
- 3> Beginning with the bank statement balance, add deposits recorded in the BTR that had not been posted to the bank statement on or before the bank statement date.
- 4> Add any debit memoranda appearing on the bank statement that had not been entered to the BTR on or before the bank statement date, such as returned checks, deposit shortages, and so on.
- 5> Add other items that have been charged to your office, such as the following:
  - DTC or ACH amounts exceeding the amount entered in the BTR as funds transferred.

- Debit memoranda not belonging to your office.
  - Bank errors that should not be charged to your office.
  - A detailed explanation must accompany these items.
- 6> Subtract any transfer amounts recorded in the BTR that have not been posted to the bank statement.
  - 7> Subtract credit memoranda appearing on the bank statement that had not been entered to the BTR on or before the bank statement date, such as deposit overages, bank corrections, and so on.
  - 8> Subtract other items that have been credited to your office, such as DTC or ACH amounts less than amounts entered in the BTR and deposits on the bank statement that have not been recorded in the BTR. A detailed explanation must accompany these items.

The balance derived by the computations in steps 3–8 above must equal the balance in the BTR for the same date as the balance on the statement. The balance on the BTR must be the same as that recorded in AIC 802 in the accountbook on the same date.

## 352.2 **Processing Automated Reconciliation**

The automated bank reconciliation program is designed to use bank downloaded deposits, wire transfers, debits and credits (BAI File), and the SFAS BTR information to perform a comparison. This comparison results in an exception report that identifies all of the in-transits. These in-transits are cleared by moving bank data to units and/or dates to match the BTR information. See detailed instructions in the Automated Bank Reconciliation Desk Guide.

## 353 **Adjustments for Discrepancies**

### 353.1 **Reconciling at Banking Post Offices**

#### 353.11 **Preparing Debit Memoranda**

A debit memorandum is an advice of shortage in a deposit or a returned check (nonsufficient funds, closed account, or stop payment).

- 1> Enter the amount in the debit column of the BTR. Enter the same amount to the suspense ledger for inclusion in AIC 814 in the accountbook.
- 2> Complete a Form 1908 and attach a copy of the advice for resolution. Send both to the depositing unit for resolution. Returned checks must accompany Form 1908.
- 3> The depositing unit must investigate and determine the AIC to be adjusted. The offsetting entry will be to clear the previous suspense item in step 1 above. With the exception of returned checks, which require more time, make these entries to the next Form 1412, and the suspense item will automatically be cleared.

**Note:** Do not make these entries on the unit Form 1412 without an entry on the individual Form 1412 where the error occurred.

- 4> If the advice of shortages or returned check pertains to a nonbanking post office depositing unit, enter the amount to the BTR as a debit. Reduce the next entry in AIC 181 by the same amount. Initiate a Form 1908 instructing the nonbanking post office to reduce AIC 421 and increase AIC 814.

### 353.12 Preparing Credit Memoranda

A credit memorandum is an advice of an overage in deposit.

- 1> When an overage in a deposit for a station or branch is reported by the bank, enter the amount in the credit column of the BTR. The same amount must be entered to the trust ledger for inclusion in AIC 080 in the accountbook.
- 2> Fill out a Form 1908, attach a copy of the advice for resolution, and send to the depositing unit.
- 3> The depositing unit must investigate and determine the AIC to be adjusted. The offsetting entry will adjust the previous trust item in step 1 above. Make these entries on the next Form 1412, and the trust entry will automatically be cleared.

**Note:** Do not make these entries on the unit Form 1412 without an entry on the individual Form 1412 where the error occurred.

- 4> If the advice of overage pertains to a nonbanking post office depositing unit, enter the amount to the credit column of the BTR. Increase the total in AIC 181 by the same amount. Fill out a Form 1908 and send it to the nonbanking post office to increase AIC 421 and increase AIC 080.

### 353.2 Reconciling at Nonbanking Post Offices

- 1> Enter discrepancies reported on Form 1908 by the banking post office to the Accountbook the day received.
- 2> Sign the duplicate copy of Form 1908 and return it to the banking post office the next business day indicating the action taken.
- 3> Resolve any amounts entered to AIC 080 or AIC 814 as soon as possible.

353.3 **Prior Postal Quarter Fund Transfer Errors**

Reason	Error	Adjustment
Missing DTC or ACH fund transfers or transfers that are less than the NDC call amount.	Overage in the bank account.	Place the amount not transferred in trust, awaiting a statement of difference. The offsetting entry is to increase AIC 802 by entry to the BTR. The statement of difference will result from the difference between the amount claimed on the SOA and the amount transferred.
Extra DTC or ACH fund transfers or transfers that are more than the NDC call amount.	Shortage in the bank account.	Place the amount not transferred in suspense, awaiting a statement of difference. The offsetting entry is to decrease AIC 802 by entry to the BTR. The statement of difference will result from the difference between the amount not claimed on the SOA and the amount transferred.

**>>** When you receive the statement of difference, remove either the trust or the suspense amount.

**Note:** If fund transfer errors occur within the current postal quarter, make the proper adjustment to avoid a statement of difference.

353.4 **Nonzero Balance Listings**353.41 **Discrepancy**

When the ASC compares AIC 181 against AIC 421 each PQ, any imbalance will produce a banking nonzero balance listing printout. The ASC will send the printout to the banking post office for resolution.

353.42 **Action**

- 1>** Identify any nonbanking post office missing from the printout and enter the amount of deposits received from any missing office.
- 2>** Notify the ASC of any missing offices.
- 3>** Compare the amount recorded during the PQ for each nonbanking post office with the amount shown on the printout. This will determine the out-of-balance offices.

353.43 **Reconciling Statements****In-Transit Amounts**

These amounts may be one of two types:

- Deposits recorded on the nonbanking post office SOA during the previous PQ but not entered to the banking office SOA until the present PQ.

- Deposits or adjustments recorded on the banking post office SOA during the previous PQ but not entered to the nonbanking post office SOA until the present PQ.

### **In-Transit Adjustments**

- 1> Enter items to the accountbook of the banking post office only.
- 2> Decrease AIC 181 for in-transit items described in section 353.43 above and offset by entry to AIC 080.
- 3> Increase AIC 181 for in-transit items as described in section 353.43b above and offset by an entry to AIC 814.

### **Non-In-Transit Adjustments**

When a nonbank post office amount as shown on the printout is less than the amount recorded for the PQ and the difference is not in transit, do the following:

- 1> Issue the post office a Form 1908 directing the office to increase AIC 421. The post office will temporarily increase AIC 080 until the appropriate corrective entry is determined.
- 2> The banking post office must enter the same amount to AIC 181 and AIC 814.

When a nonbanking post office amount as shown on the printout is more than the amount recorded for the postal quarter and the difference is not in transit, do the following:

- 1> Issue the post office a Form 1908 directing the office to decrease AIC 421. The office will temporarily increase AIC 814 until the appropriate corrective entry is determined.
- 2> The banking post office must decrease AIC 181 and increase AIC 080 by the same amount.

### **Ledger Titles**

- >> At the banking post office, title the AIC 814 and AIC 080 ledger entries "Awaiting Statement of Differences."

### **Statement of Difference**

- >> Remove the AIC 080 and AIC 814 entries at the banking post office upon the receipt and entry of the statement of differences to the accountbook.

### **Bank Transaction Record**

- >> Do not run the increases and decreases to AIC 181 through the BTR. It would distort the entry to AIC 802, the NDC telephone call, and the entry to AIC 420.

**Nonbanking Post Office Action**

- >> Enter discrepancies reported on Form 1908 by the banking post office when received. If it is necessary to offset the directed entries to AIC 421 with entries to AIC 080 or AIC 814, remove these amounts as soon as possible.

## 36 Collecting Postal Funds

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### 361 Collection Procedures of Monies Demanded

#### 361.1 Bargaining Unit Employees

When, in accordance with the conditions and standards set forth in Article 28 of the employee's respective collective bargaining agreement and *Employee and Labor Relations Manual* (ELM) 460, it is determined that a bargaining unit employee is financially liable to the Postal Service, any demand for payment must be in writing and signed by the postmaster or designee. In addition to notifying the employee of a USPS determination of the existence, nature, and amount of the debt, the demand letter must include the employee's right to challenge the USPS claim. Care must be taken to ensure that any letter of demand served on an employee provides notice of the employee's right to challenge the demand under the applicable collective bargaining agreement.

If an employee files a grievance over a money demand, collection will be delayed until after disposition of the grievance either by settlement with the union or through the grievance-arbitration procedure.

#### 361.2 Nonbargaining Unit Employees

When it is determined that a nonbargaining unit employee is indebted to the Postal Service, follow the collection and appeal procedures specified in ELM 450.

#### 361.3 Percentage Limitations

Payroll deductions to liquidate a postal debt may not exceed 15 percent of an employee's disposable pay for any one pay period unless the employee agrees in writing to a greater amount. The term "disposable pay" refers to that part of an employee's salary that remains after all required deductions are made such as normal retirement contributions, FICA, and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premium.

### 362 Payroll Deductions to Liquidate Indebtedness

#### 362.1 Voluntary Deductions

Generally, voluntary payroll deductions must be in amounts of 15 percent or more of an employee's biweekly disposable pay. If an employee requests

approval of a repayment plan providing for smaller installment payments, however, the postmaster or installation head or designee may approve the plan if the employee's proposed repayment schedule bears a reasonable relationship to the size of the debt and the employee's ability to pay.

Generally, an employee's voluntary repayment plan should provide for installment payments of no less than 10 percent of disposable pay per pay period and for a repayment period of 26 pay periods or fewer.

- The postmaster or installation head or designee initiates Form 1902, *Justification for Billing Accounts Receivable* (see [Exhibit 362.1](#)) in triplicate, placing a check mark in the block "MNASC" and completing items 1 through 5. Item 5 must be clearly annotated to indicate that the indebtedness was being held in AIC 814, Suspense, and entered to AIC 636, Miscellaneous Receivable. One of the following applicable statements should be made in item 5:
  - The amount shown in item 3 above must be collected by deduction of [percent] of the biweekly disposable pay of the above-named employee until elimination of the debt.
  - The amount shown in item 3 above must be collected by deductions of \$ [amount] from the biweekly pay of the above-named employee until elimination of the debt.

The postmaster or installation head or designee should sign the Form 1902 and enter the appropriate title. The triplicate copy should be filed and the original and duplicate sent to the following address:

ATTN PAYROLL PROCESSING BRANCH  
MINNEAPOLIS ACCOUNTING SERVICE CENTER  
1 FEDERAL DRIVE  
FT SNELLING MN 55111-9612

The amounts held in AIC 814 should be removed and entered in AIC 636 on the same date the Form 1902 is submitted.

The individual Form 1902 amounts that equal the amount in AIC 636 in the remarks section should be listed on the reverse of the SOA.

If the postmaster or installation head or designee approves a lesser percentage or amount for payroll deduction (see item a above), a copy of the approval to the Form 1902 should be attached in triplicate.

- The Minneapolis Accounting Service Center (MNASC) completes Form 1903, *Invoice and Statement*, and sends it to the originating installation. Upon receipt, the postmaster or installation head or designee prepares Form 3239, *Payroll Deduction Authorization to Liquidate Postal Service Indebtedness*, in triplicate. The invoice number from Form 1903 is entered on Form 3239 before the original Form 3239 is submitted to the distributed data entry and distributed reporting (DDE/DR) system site. The duplicate is submitted to the appropriate personnel office and the triplicate sent to the employee.



**362.2 Involuntary Deductions**

Involuntary payroll deductions to liquidate a postal debt may not exceed 15 percent of an employee's disposable pay during any one pay period.

- To implement involuntary payroll deductions, Form 3239 should be completed and distributed as described in section 362.1.
- A copy of the letter of demand should be sent with Forms 3239 for all involuntary payroll deduction actions.

## 37 Protecting Postal Funds

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**371 Overnight Storage When Closed****371.1 Protecting Funds in an Office With Vault, Security Container, or Safe**

- >> Lock funds in vaults, security containers, or safes with full combination locks on outer doors. Put postal funds in the vault or other place providing the best security. Put security containers and safes inside the vault to the extent space is available.

**371.2 Using Lights Over Safe or Vault**

- >> At night when the office is unoccupied, leave enough light burning to sufficiently light the vault door or safe area only if the vault door or safe is visible to the public and if the local patrolling law enforcement agency requests it.

**371.3 Protecting Funds in an Office Without Safe, Security Container, or Vault**

- >> Lock funds in strong drawers or other fixed receptacles equipped with a lock. Do not leave funds in removable tin or iron boxes having locks or in cash drawers with finger combination locks.

**371.4 Securing Funds in an Office Without Protection**

- >> If you do not have a vault, safe, or fixed receptacle, remove funds to a safer place when office is closed. The funds may be placed in a safe deposit box in a bank or in a safe owned by a private party, provided there is no expense and the postmaster can maintain individual control over the funds. At no time should a postmaster transport funds for off-site storage if doing so would pose a threat to personal safety.

**371.5 Securing Doors, Windows, and Wickets**

- >> Keep all doors and windows of the office locked. In offices where the lobby remains open when no one is on duty, all doors, windows, and wickets connecting the lobby with the working portion of the office must be locked. All exterior doors and doors with access to the workroom

floor must be equipped with deadbolt locks. Lobbies must not remain open when no one is on duty unless the screenline extends to a permanent ceiling and police protection is adequate.

## 372 Securing Combinations and Keys

### 372.1 Using Form 3977, Duplicate Key Envelope

- 1> Complete a separate Form 3977 envelope to protect each safe or vault combination and duplicate keys to inner doors of each walk-in vault.
- 2> Ensure that each responsible employee and a witness to the enclosure of the combination or keys signs the envelope. Postmark as instructed on the form.
- 3> Each time a lock or combination is changed, prepare a new Form 3977 and submit it to the custodian of the Form 3977 it replaces. The custodian must dispose of the replaced Form 3977.
- 4> Do not perforate or alter the Form 3977 in any way while it is sealed. If evidence of tampering with the envelope is noted or alleged, notify the local inspector in charge.
- 5> When it is necessary to open a duplicate key envelope, cut it along one end leaving the signature and postmarks intact. The employee opening the Form 3977 and a witness must sign and date it. Retain the opened envelope as instructed on Form 3977.

**Note:** Maintain a separate Form 3977 for IRT passwords and for credit or debit card passwords for individual clerks if the two passwords are different. Follow the same procedures outlined in steps 2–5 above. Keep the form in a safe place.

### 372.2 Protecting Combinations and Duplicate Keys

#### 372.21 Securing Stations and Branches

- >> Hold duplicate keys to stamp credits in the main safe or vault of the station or branch in a compartment under the exclusive control of the manager or a designated subordinate. Send the combinations for the main safe or vault and the duplicate compartment keys in a sealed Form 3977 via registered mail to the postmaster. Store these Forms 3977 in the most secure place under the exclusive control of the postmaster or designated subordinate.

#### 372.22 Securing the Main Office

- >> Hold combinations for safes or vaults at the main office and duplicate keys to inner doors of such safes or vaults in the most secure vault or safe at that post office in a compartment under exclusive control of the postmaster or designated supervisor. Keep combinations for safes or vaults at stations or branches in the same compartment. Keep the combination and the inner door keys of that vault or safe in the next

most secure safe or vault in the office in a compartment under exclusive control of the postmaster or designated supervisor.

### 372.3 **Keeping Inventory of Sealed Envelopes**

Each person with custody of Forms 3977 must maintain a list showing each envelope, the date received, the source, and the location of the safe or vault it relates to.

- >> At least once each 6 months, physically examine each Form 3977 to be certain it is on hand and intact. Place a written, dated, and signed report of this inventory in the file with the list.

### 372.4 **Handling Loss or Unauthorized Opening of Envelopes**

- 1> When any Form 3977 is discovered to be missing, destroyed, or opened by an unauthorized person, the person having custody must immediately notify the person having jurisdiction over the safe, vault, or stamp credit. Perform an examination of inventory. Change combinations or locks, and prepare a new Form 3977.
- 2> When a Form 3977 is missing or possibly opened as a result of burglary or other criminal act, notify the local inspector in charge immediately.

### 372.5 **Setting and Changing Combinations**

- 1> Post the manufacturer's instructions for changing the combination on the back of the safe or vault door.
- 2> Place the key for changing the combination in the special container provided or tape it alongside the instructions.
- 3> Change combinations when (1) a new or different safe is placed in service; (2) a person knowing a combination of a safe or vault is separated or transferred to a new position; or (3) the combination becomes compromised due to the opening of Form 3977 in an emergency or by unauthorized people.

Failure to change a combination under the circumstances noted in step 3 above is considered contributory negligence by the responsible employee if property is stolen from a safe or vault without force.

### 372.6 **Securing the Combination Lock**

- >> Turn the combination knob on protective equipment four complete turns in the same direction to preclude it being closed on "day lock."

### 372.7 **Handling Master Keys to Safe Combinations**

- >> Mark master keys furnished by safe suppliers for identification, seal in envelope Form 3977, and have the postmaster or a designated supervisor sign with a witness. Retain the envelope in a central location at the main office under security. Use master keys only in an extreme

emergency, since a duplicate to each compartment is in the custody of a supervisor.

Exhibit 312.1

**Identification for Personal Checks**

The diagram shows a personal check with the following details:

- Top Left:** Sue Smith, 123 Main Street, Anytown, Anywhere 54321. A circled 'A' is next to the address.
- Top Right:** A greyed-out box, the number 1891, and the date Aug 19 97. A small number 77-009 487 is printed below the date.
- Payable Information:** "PAY TO THE ORDER OF" followed by John Jones. To the right is a dollar sign and a box containing XXX and 00/100.
- Amount:** XXX 00/100 DOLLARS.
- Bank Information:** First Bank, Anytown, Anywhere 54321.
- Memo:** A line labeled "MEMO" with a greyed-out box.
- Signature:** Sue Smith.

Instructions and markers:

- A line from the text "Place customer identification information here." points to the greyed-out box at the top right.
- A line from the same text points to the greyed-out box in the "MEMO" field.
- An arrow points to the bottom of the check with the text "Do not write below this line."

Exhibit 315

Endorsing the Back of a Check

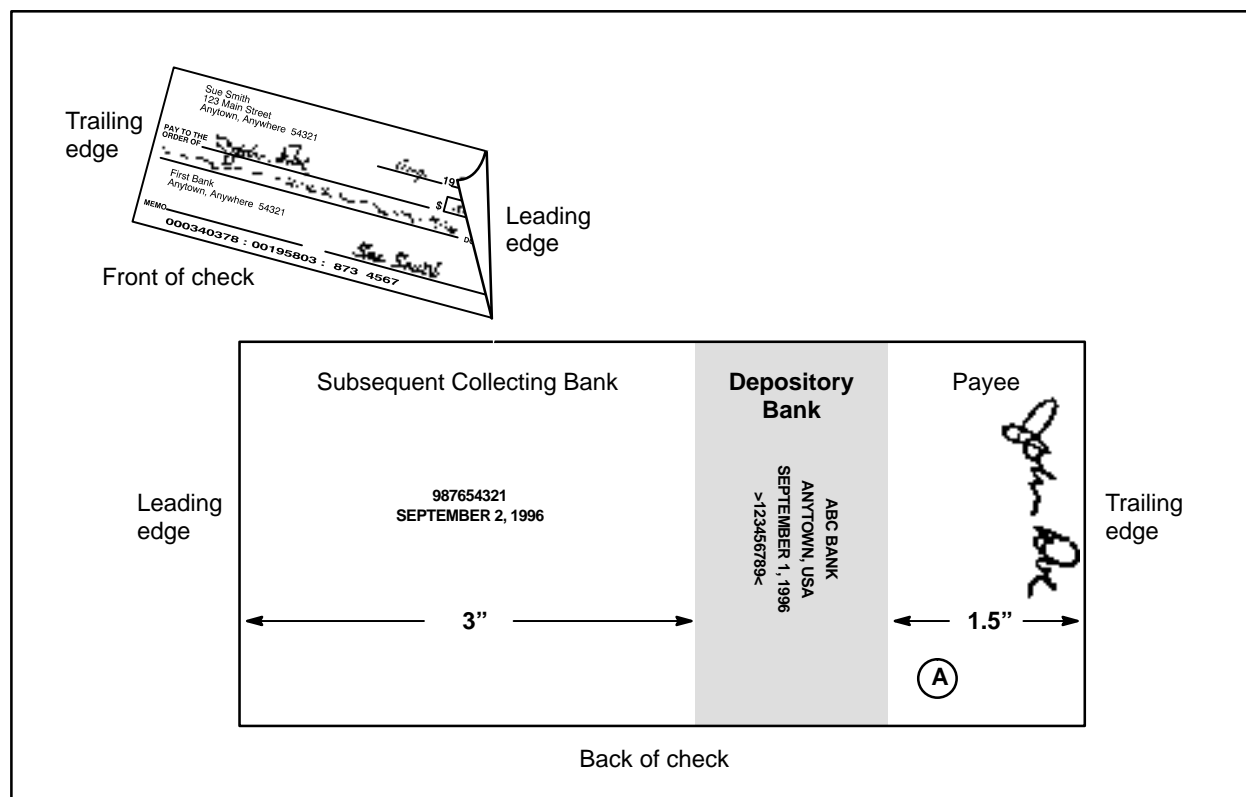


Exhibit 324.2

Form 2131, Uncollectible Check Report

Uncollectible Check Report		Check Number	Check Amount	Employer's Name
<p>Bank of America, National Association            100 N. Main Street            Anytown, Anywhere 54321</p>		_____	_____	<input type="checkbox"/> Bank of America, National Association <input type="checkbox"/> Other
<p>Address (City, State, ZIP Code)</p> <p>_____</p>		<p>Address (City, State, ZIP Code)</p> <p>_____</p>		
<p>Business Number (Area Code &amp; Number)</p> <p>_____</p>		<p>Telephone Number (Area Code)</p> <p>_____</p>		
<p>DUN AND BRADSTREET            P.O. BOX 280419            EAST HARTFORD CT 06128-0419</p>		<p>Check No. _____</p> <p>Check Amount \$ _____</p>		

Form 2131, Rev. 11/94



Exhibit 341 (p. 2)

**Form 3176 (Reverse), Bank Transaction Record**[illegible]



Exhibit 362.1  
**Form 1902, Justification for Billing Accounts Receivable**

<b>UNITED STATES POSTAL SERVICE</b>		<b>Justification for Billing Accounts Receivable</b>					
<b>Date Prepared</b> _____		<b>By</b> (Type name of official) _____					
<b>To</b> (State properly) _____ <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <span><input type="checkbox"/> MNAGO</span> <span><input type="checkbox"/> TLASG</span> <span><input type="checkbox"/> BRAGG</span> </div>		<b>1</b> Employee ID# _____ <b>2</b> Area mail code _____					
<b>3</b> Name of dealer _____		<b>4</b> Address of dealer (If dealer does not use a permit, employee, state, and postal number use employee's check number) _____					
<b>5</b> Circumstances of loss (Describe nature of debt, supply enough detail so that dealer is not able to request further information) _____							
<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> <b>6</b> What Billing Office is receiving item or item description of a lost bill or license         </div> <div style="width: 20%;"> <b>a</b> What Office Name _____         </div> <div style="width: 20%;"> <b>b</b> What Number _____         </div> <div style="width: 20%;"> <b>c</b> What State _____         </div> <div style="width: 20%;"> <b>d</b> What Date _____         </div> <div style="width: 20%;"> <b>e</b> What City _____         </div> </div>							
<b>7</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
<b>8</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
<b>9</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
<b>10</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
<b>11</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
<b>12</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
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<b>31</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
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<b>49</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							
<b>50</b> What Bureau is responsible for the loss of the property (If lost by employee, state employee's name) _____							

(Type or print name)

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(Signature of public official or employee)

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(Type name and)

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For Accounting Service Center Use Only							
Debit	A/C 1400	A/C 1405	A/C 1410	A/C 1415	A/C 1420	A/C 1425	A/C 1430
Billing	A/C 1435	A/C 1440	A/C	A/C	A/C	A/C	Credit Office A/C
Credit	A/C	A/C	A/C	A/C	A/C	A/C	A/C
Billing	A/C	A/C	A/C	A/C	A/C	A/C	A/C

FD Form 1902, September 1967

# 4 Managing Accountable Paper

## 41 Policies and General Information

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### 411 Overview

This chapter explains how post offices, stations and branches, offices with unit accountability, and the district accounting office (DAO) manage accountable paper. It also defines requisition procedures and control processes. Accountable paper includes postage stock, nonpostal stamps, and philatelic products.

Postmasters and other unit managers order accountable paper from a stamp distribution office (SDO) or a stamp distribution network (SDN). A stamp stock destruction committee counts, records, and destroys stamps, stamped paper, and philatelic products. Managing accountable paper falls under the following sections:

- Section 42 Managing Accountable Paper at Stations, Branches, and Post Offices With Stamp Accountability
- Section 43 Managing Accountable Paper at a Stamp Distribution Office
- Section 44 Managing Accountable Paper at a Stamp Distribution Network
- Section 45 Destroying Stamp Stock
- Section 46 Managing Accountable Paper at the District Accounting Office
- Section 48 Managing Accountable Paper and Cash at Offices With Segmented Inventory Accountability

### 412 Responsibilities

#### Postmaster

All accountable paper within the post office. Maintain sufficient stock to meet customer demand.

#### Unit Manager

All accountable paper in unit.

**Employees**

All accountable paper issued as a stamp credit. Keep all proceeds received from accountable paper sales until deposited as postal funds, usually daily or after a cash limit is reached. Reduce stamp credit when proceeds are deposited. Increase stamp credit when additional accountable paper is received. Adjust stamp credit when stock is revalued.

**Contractor**

All accountable paper assigned.

**Note:** You may be held liable for missing accountable paper, depending on the circumstances of the loss.

413 **Accountable Paper Terms**

<b>Main stock</b>	<p>All stamps and stamped paper, nonpostal items, and philatelic products that have not been consigned to a unit reserve or window clerk.</p> <p>In standard field accounting procedures (SFAP) units, the main stock is located either at the designated SDO(s) within the district or at the SDN.</p> <p>In non-SFAP units, the main stock is located at the office that prepares the statement of account (SOA).</p>
<b>Unit reserve</b>	<p>All stamps and stamped paper, nonpostal items, and philatelic products received from a main stock that have not been consigned to a window clerk.</p> <p>All SFAP units have unit reserves.</p> <p>In non-SFAP units, the unit reserve is located at the stations/branches and contract units of the SOA office.</p>

414 **Types of Accountable Paper**

<b>Postage Stock</b>	<b>Postage Stamps</b>
Stamped papers	<p>Plain stamped envelopes and postal cards (includes regular, special, commemorative, and penalty mail issues).</p> <p>Aerogrammes.</p> <p>International reply coupons.</p>
Nonpostal stamps — bird stamps	Migratory bird hunting and conservation stamps sold for the Department of Interior.
Philatelic products	<p>Mint sets.</p> <p>Stamp collecting kits.</p> <p>Gift packs.</p> <p>Other products in the items 8000–9999 series.</p>
Nonpostal items	Any items not listed above.

## 415 Activities of Reporting Units

Below is a brief description of each system or unit and how it interacts with the others.

### 415.1 Stamp Distribution Offices

An SDO is a section of a major post office that does the following:

- Receives and disburses stamps, stamped paper, philatelic products, and nonpostal items.
- Provides stamps and stamp products for all post offices, stations, branches, and contract stations within its service area that are not authorized to order in bulk quantities from the Bureau of Engraving and Printing (BEP), the Government Printing Office (GPO), or Stamp Fulfillment Services.

Typically, a supervisor and one or more bargaining-unit employees assigned to the SDO work in or near a secure vault. Accountable paper is kept in the vault or in a secured, locked storage area.

### 415.2 Accountable Paper Depositories

Accountable paper depositories (APDs) are SDOs that provide products to other SDOs, such as the following:

- Emergency orders.
- Reserve supplies of stamps that cannot be ordered through bulk requisitioning.
- Philatelic products produced by Postal Service contractors.

Every SDO is assigned to a specific APD. The six APDs are located in Chicago, IL; Denver, CO; Memphis, TN; New York, NY; San Francisco, CA; and Washington, DC.

### 415.3 Stamp Distribution Networks

Stamp distribution networks, administered by stamp distribution at Headquarters, serve a centralized stamp distribution function. An SDN does the following:

- Encompasses an area formerly serviced by multiple SDOs.
- Provides all accountable paper stock and defines ordering cycles for each unit (post office, station, branch, or contract station) within its service area regardless of size.

### 415.4 National Stamp Depository

The National Stamp Depository (NSD), located in Kansas City, MO, does the following:

- Stores postage stock.
- Supplies large quantities of postage stock to APDs.
- Supplies full pallets of an item to SDOs.

APDs and SDOs should contact the Kansas City SDN to obtain stock from the NSD.

#### 415.5 **Philatelic Centers**

Philatelic centers offer a variety of stamps, and postal and philatelic products, primarily to stamp collectors.

These retail areas are separate from the lobby window service and usually offer only philatelic products.

#### 415.6 **Stamp Fulfillment Services**

Stamp Fulfillment Services in Kansas City, MO, supplies the following:

- Stamped envelopes to cost ascertainment grouping (CAG) A–G post offices that order from an SDO.
- *Stamps, etc.* catalog items to stamp collectors and to post offices for promotions or presentations.

#### 415.7 **Accountable Paper Systems**

The STAMPS (not an acronym) system used by the SDOs, and stamp distribution system (SDS) used by the SDNs, are automated inventory systems to do the following:

- Process stock orders.
- Track inventory.
- Produce daily financial reports.

Stamp Distribution at Headquarters manages the accountable paper systems.

### 416 **Securing a Place for Accountable Paper**

#### 416.1 **Securing by the Postmaster and Station or Branch Manager**

- 1>** Ensure that protective equipment is used for maximum security. Observe the following priorities of protection in descending order of importance.

Priority	Item
1	Postal funds.
2	Postage stamps, aerogrammes, international reply coupons, migratory-bird hunting and conservation stamps (bird stamps), philatelic, and blank money order forms.
3	Stamped envelopes and postal cards, money order imprinters, nonsalable stamp stock, and nonpostal items.

- 2>** Ensure that employees in your installation follow the descending levels of security. Priority 1 requires the highest level of security, and priority 5 the lowest.

Level	Equipment
1	Burglar-resistant chests in fireproof safes or security containers located in walk-in vaults.
2	USPS standard vaults or security containers.
3	Security chests or burglar-resistant chest portion of fireproof safes.
4	Fireproof safes or vaults not built to USPS standards.
5	Lockable metal cabinets and file drawers.

- 3>** Order equipment according to the criteria in Handbook AS-701, *Material Management*.
- 4>** Examine all equipment assigned to an employee that is used to protect stock or funds to ensure proper safekeeping.
- 5>** Ensure that all accountable paper received into and dispensed from the main stock/unit reserve is controlled. The responsibility for the main stock/unit reserve should be assigned only to a supervisory employee having no access to the cashbook. When this is impractical, the postmaster maintains the stock personally.

#### 416.2 **Securing by the Postmaster or Supervisor**

- >>** Ensure that combinations and locks are uncompromised and change them whenever the equipment or employee is reassigned. (See section 372.)

#### 416.3 **Securing by All Employees Handling Accountable Paper**

- >>** Maintain accountable items in the security equipment and advise management in writing of equipment inadequacy or malfunction.

### 417 **Stock Records**

Form 3295, <i>Daily Record of Stamps, Stamped Paper, and Nonpostal Stamps on Hand</i>	Prepare a Form 3295 ( <a href="#">Exhibit 417a</a> ) for all offices not selling from the main stock and/or with stations and branches to maintain a perpetual inventory of the main stock and unit reserve stocks. Use a separate form for each denomination and type of stock by item number.
Form 3958, <i>Main Stock (or unit reserve Stock) Transaction Record</i>	Prepare a Form 3958 ( <a href="#">Exhibit 417b</a> ) for each daily transaction in the main stock or station reserve stock.

Form 3959, <i>Daily Recap — Stamp Stock Transactions</i>	Assign the person who posts the accountbook to prepare a Form 3959 ( <a href="#">Exhibit 417c</a> ) to compute and maintain a daily record of the postmaster's stamp accountability. Obtain entries from the daily consolidated Form 1412 and from Form 3958.
Accountbook (part six), daily stamp stock record.	Enter all transactions to this record when postmasters make sales directly out of the main stock (do not prepare Forms 3295, 3958, and 3959).

## 42 Managing Accountable Paper at Stations, Branches, and Post Offices With Stamp Accountability

This section addresses all aspects of receiving, managing, and reporting activity for accountable paper in post offices, stations or branches. All accountable paper received in the post office increases the postmaster's accountability. The accountability decreases through sales, shipment to post offices, and destruction. The accountability is adjusted through revaluation of stamps.

Postmasters are responsible for all accountable paper within the post office and for maintaining sufficient stock to meet customer demand.

Accountable paper is issued to employees as a stamp credit. Employees keep all proceeds received from accountable paper sales until deposited as postal funds, usually daily or after a cash limit has been reached. When these proceeds are deposited, the employee's stamp credit is likewise reduced. Stamp credit is similarly increased when additional accountable paper is received.

### 421 Transfer of Accountability

Type	Action for Postmasters or Unit Managers
Main stock	Count and verify whenever the accountability is transferred to or from the main stock custodian. Make a transfer when the main stock custodian is replaced or is scheduled to be absent for a period during which access to the main stock may be necessary (see section 426.2).
Unit reserve	Count and verify whenever the accountability is transferred to or from the reserve stock custodian. Make a transfer when the reserve stock custodian is replaced or is scheduled to be absent for a period during which access to the reserve stock may be necessary (see section 426.2).

- >> On Form 3294, *Cash and Stamp Credit Count and Summary*, record the names of those involved, the date of the transfer, the accountability figures transferred, and signatures.

## 422 **Accepting Custody — Postmaster or Stamp Stock Custodian**

- 1> After making a witnessed stock count (recorded in detail on Form 3294), accept initial custody by signing the form. This indicates agreement with the witnessed stock count.
- 2> Accept responsibility on Form 3958 by entering the following:
  - The opening balance (from the previous Form 3958 closing balance).
  - Any overage to line 3.
  - Any shortage to line 12.
  - Closing balance as shown on the Form 3294.
  - The date and signature.
- 3> Keep the original signed Forms 3294 and 3958.
- 4> Have the vault combination changed to restrict access to the custodian.

### 422.1 **Protecting Stamp Stock**

- 1> Give postage stamps and nonpostal stamps the best possible protection. Keep high denominations in the safest place if storage facilities offer different levels of security. Keep stamps in places inaccessible to the public and concealed from public view during business hours. If a post office is considered unsafe, move stamps in excess of a week's supply to a more secure place. However, the postmaster or designee must have sole control over the stock.
- 2> Keep stamped envelopes, postal cards, aerogrammes, and plastic stamp dispensers locked in receptacles or rooms accessible only to the main stock or reserve stock custodian.
- 3> When not in use, keep money order forms and imprinters in a safe, security container, or vault. If space is not available, store under protection of a lock. Whenever possible, store money order forms and money order imprinters overnight in different security containers if the containers furnish an equal degree of security.

### 422.2 **Establishing Stamp Stock Limits**

#### 422.21 **For Main Stock/Unit Reserve**

##### 422.211 **Stock Limits**

- >> Maintain a 9-week stock level, calculated as of the date of the order, of any item, if vault or safe space is available. Do not at any time exceed the 9-week sales level for your office. For example, if the average



weekly sale totals 5 stamps, then the 9-week stock level should not exceed 45 stamps (9 weeks x 5 = 45) for that item number.

**Note:** When calculating the stamp stock limits, each item is calculated separately, and the total value of all item numbers is added together to determine the total accountability of a main stock or unit reserve.

#### 422.212 Exclusions to the Stock Limits

- >> The following items should not be considered when calculating the stamp stock limit:
- *Stamp Credits* — The value of inventory assigned to an employee from the main stock or unit reserve.
  - *Commemorative Stamps* — Postage stamps that depict the cultural and historical heritage of the United States. These stamps have an item number beginning with the number 4.
  - *Migratory Bird Hunting and Conservation Stamps* — Commonly called “duck stamps,” migratory bird hunting and conservation stamps are hunting permits which the Postal Service sells for the Department of the Interior. These stamps have item numbers in the 3300 series and are not usable as postage.
  - *Philatelic Products* — Philatelic products are items containing stamps or pictures of stamps and are designed to promote the hobby of stamp collecting. Philatelic products usually have item numbers in the 8000 series.
  - *Christmas Stamps* — Issued each year, usually in October, Christmas stamps are available in at least two varieties — contemporary and traditional. These stamps have a 5000 series item number for the sheet versions, and a 6000 series item number for the booklet versions.

#### 422.22 For Window Clerks

A window clerk stamp credit should consist of the supply of each stock item necessary to meet normal customer demand. As customer demand is inconsistent with weekly replenishment, some size latitude should be given to the window clerk stamp credit.

There is a minimum amount of stock that must be consigned to stamp credit regardless of the sales generated from it. As a rule of thumb, managers should hold stamp credits to a reasonable multiple of the weekly sales amount, based on the required analysis made during prescribed credit counts.

The value of stamp credits should be adjusted consistent with the protection afforded so as to facilitate requisitions for full units of stock.

Local office standard operating procedures will determine the size of stamp credit during Christmas and other high-volume periods.

Employees should not trade or purchase from one another in order to maintain individual accountability. When it is necessary to trade or purchase

stock from another window clerk, a Form 17 should be completed in duplicate. Enter "trade" or "purchase," stock involved, and names of both employees on Form 17. Each employee must keep a copy until the next stamp credit examination.

When customer demand requires emergency requisitions, trading or purchasing, an overall increase in the stock limit or a rearrangement of specific quantities should be considered by the manager.

#### 422.3 **Determining Stamp Stock Quantities**

- >> Determine the proper stock level (not dollar value) for each separate item in the main stock or unit reserve. Do not maintain more than the 9-week sales level for your office.
  - Accountbook offices without an automated system such as the integrated retail terminal (IRT) maintain Form 3295 for each stamp item.
  - Offices with an automated reporting system use the computer-generated inventory listing and stamp stock usage reports.

### 423 **Handling Main Stamp Stock — Offices Served by a Stamp Distribution Office**

#### 423.1 **Automatic Shipments of Stamp Stock**

Post offices automatically receive shipments of commemorative, special issue, and Christmas stamps from the suppliers. These are sent without an order form, and they are generally preceded by a Form 3309, *Advice of Shipment/Stamp Invoice* ([Exhibit 423.1](#)). The Form 3309 is the supporting documentation for the stock received.

All stations, branches, and post offices requiring more than the standard automatic quantity of a stamp must prepare a Form 17 and submit it to the SDO using stock level guidelines and ordering quantity minimums and maximums.

#### **Changes in Automatic Shipment Amounts**

Post offices may request quantity changes to automatic shipments whenever these quantities are consistently more or less than the needs of the post office.

- >> Request a change in quantities received from the SDO by memorandum to the following address:  
 POSTAL ACCOUNTING SECTION  
 FINANCE BRANCH  
 MINNEAPOLIS ACCOUNTING SERVICE CENTER  
 1 FEDERAL DRIVE  
 FT SNELLING MN 55111-9613

All requests must include the finance number, present quantity, new quantity requested, SDO name, signature of the postmaster, and telephone number. Send a copy of the request to the SDO. Keep these requests to a minimum.

#### 423.2 **Ordering From the SDO**

The SDO will provide an AP schedule for ordering. Follow the schedule so that all orders can be processed in an organized and timely manner.

The minimum quantity of each item of stamps and stamped paper to order is in the schedule published annually in the *Postal Bulletin*. Post offices must order larger quantities in multiples of the minimum quantity or the package quantities. When ordering stamps and other accountable paper items that have minimum quantities, order the minimum quantity even though by doing so stock limits may be exceeded.

Do not exceed the maximum quantity of postage stamps and stamped paper that CAG A–G post offices may request on their AP order as shown in [Exhibit 423.4](#). When Post offices need to order a larger quantity, submit requisitions to bulk suppliers.

In a CAG H–L post office, order any quantity of postage stamps and stamped paper from the SDO to meet customer demand, provided that the stock levels outlined in section 422.1 are not exceeded.

#### 423.21 **Ordering Stamp Stock and Philatelic Items**

- 1> Prepare in duplicate Form 17, *Stamp Requisition* ([Exhibit 423.21](#)) or Form 17-S, *Accountable Items Requisition SDN*. Both copies must be legible.
- 2> Enter the date stamp, finance number, post office, state, ZIP+4, and unit ID number to the heading of each form.
- 3> Send the original to the SDO or SDN.
- 4> Keep the duplicate.

#### 423.22 **Ordering Domestic Money Orders**

- >> Requisition money orders in multiples of 100 on Form 17 each quarter. If adequate security is not available, order more frequently.

#### 423.23 **Ordering International Money Orders**

- >> One month before exhausting the supply, submit a memorandum requisition directly to the SDO. Order a minimum of five form sets of international money orders.

#### 423.24 **Ordering Bait Money Orders**

- >> Follow instructions released in Management Instruction AS-220-95-3, dated 07/11/95, and any subsequent management instruction that supersedes that issue.

**Note:** Main post offices with stations or branches distribute bait money orders to the stations or branches.

**423.3 Placing Emergency Orders****423.31 From the SDO**

- 1>** Submit emergency orders for stamp stock to the SDO only when absolutely necessary. They must be limited to stock that is needed to meet customer demand and that could not have been foreseen on the date assigned for ordering.
- 2>** When submitting the Form 17, write "Emergency Order" on the form.
- 3>** Emergency stock orders must be limited to three items.

**423.32 Transfer of Stock Between Post Offices (Emergency Only)****423.321 Non-SFAP Offices**

These procedures pertain to the transfer of stock between post offices (statement of account offices). Stock can only be transferred between main post offices not under SFAP. Stations and branches of post offices that require stock must submit requisition through the main office.

**The sending post office will perform the following:**

- 1>** Prepare Form 17 in triplicate. Send copy 1 to receiving office with stock, copy 2 with Statement of Account (SOA), and file locally copy 3. Form 17 supports AIC 501 entry.
- 2>** Record stock shipped to AIC 501. This will decrease AIC 805.
- 3>** Stock transferred must be witnessed prior to shipping to receiving office.
- 4>** Send stock mailed to receiving office by registered mail.
- 5>** Write the finance number of the receiving office legibly in the lower right corner of Form 17.
- 6>** Enter the finance number of the receiving office and amount received in the notes section of the SOA.

**The receiving post office will perform the following:**

- 1>** Stock received must be witnessed upon receipt. Sign the Form 17.
- 2>** Record the stock received to AIC 005. This will increase AIC 805.
- 3>** Record stock received in Section VI on the SOA-Stamps Received. Write the finance number of the shipping office and the amount received in the notes section of the SOA.

**Note:** Monitor this transfer closely to ensure that the receiving and sending offices make the above accounting entries in the same accounting period and the amount listed on Form 17 is recorded by both offices. If a discrepancy exists, the receiving office will receive a statement of difference.

**423.322 SFAP Units**

These procedures pertain to the transfer of stock between SFAP units within the same district accounting service area. The transfer of stock between SFAP units is internal.

**The sending post office will perform the following:**

- 1>** Prepare Form 17 in triplicate. Send copy 1 to receiving office with stock, copy 2 to support Form 1412 entry, and file locally copy 3.
- 2>** Record stock shipped to AIC 848. Write name and unit ID of the office receiving the stock in the lower right corner of Form 17.
- 3>** Stock transferred must be witnessed by another individual.
- 4>** Send stock mailed to the receiving office by registered mail.

**The receiving post office will perform the following:**

- 1>** Stock transferred must be witnessed by another individual. Sign the Form 17.
- 2>** Record stock received to AIC 841. AIC 848 should offset AIC 841 at the DAO.

**Note:** DAO should monitor transfers closely by using the Intransit Program.

**423.4 Ordering Stock in Bulk Quantities**

- 1>** In a CAG A–G post office that is not an SFAP reporting unit requiring the minimum quantity of postage stamps and stamped paper shown in [Exhibit 423.4](#), order bulk quantities from the BEP, the GPO, or Stamp Fulfillment Services.
- 2>** Before ordering, project the usage for each item for the next two APs. The easiest way to calculate this is to review the previous year's usage for the same APs. This information is on the PS 3295s or the usage by denomination report from the IRT.

**423.41 Ordering Stamp Stock**

- 1>** Complete Form 3356, *Stamp Requisition — Bulk Quantities*. Do not lend these forms to another post office. These requisitions are issued in ascending numerical sequence in lots of 500 perforated cards to an SDO or in lots of 300 perforated cards to another post office. To reorder Form 3356, send the last card, which is designated as "PO 9 Order Card" in the quantity shipped block, to the BEP in envelope EP-10A. Do this when the supply of forms dwindles to a level that will allow for only one more requisitioning cycle. Allow 30 days for the forms to reach the post office.
- 2>** Use only one Form 3356 for each item.
- 3>** Identify the desired stamp by item number. Use all four digits.

- 4> Order one of the exact quantities in [Exhibit 423.4](#) nearest to the calculated requirement. Orders for less than the minimum quantity listed will not be accepted.

**Note:** When the calculated requirement falls between multiples, submit two Forms 3356 for the item, one for the standard packaged quantity just below the calculated requirement and the other for a multiple of the minimum quantity that will bring the total of the two requisitions nearest the requirement. For example, if the requirement for item number 7703 is 352 coils, submit one requisition for 320 coils of item number 7703 and a second requisition for 32 coils of item number 7703.

**Note:** When the calculated requirement exceeds the maximum for the item number by double the maximum or more, submit more than one requisition for the maximum quantity. For example, if the requirement for item number 7715 is 72,000 coils, submit three requisitions, each for 24,000 coils of item number 7715.

- 5> Send completed requisition order form to the accountbook unit for recording the first six columns of Form 3036, *Record of Stamp Stock Requisitions*.
- 6> Using the pre-addressed envelope EP-10A, mail to:  
 POSTAL COORDINATOR  
 BUREAU OF ENGRAVING AND PRINTING  
 14TH AND C STS SW  
 WASHINGTON DC 20228-0001
- Order EP-10A envelopes from the area supply center on scheduled supply requisitions.
- 7> Mail requisitions to the BEP at least 7 days before the due day assigned in the schedule published in the *Postal Bulletin* annually. Strict compliance with this schedule equalizes the BEP workload for expediting all stamp shipments.

#### 423.42 Ordering Postal Cards

- 1> Prepare Form 3216, *Requisition for Postal Cards — Bulk Quantities*.
- 2> Do not lend these forms to another post office. These forms are issued in ascending numerical sequence in lots of 100 cards to an SDO or 50 cards to a post office.
- 3> Order only one postal card item on each Form 3216.
- 4> Identify the desired postal card by item number. Use all four digits.
- 5> Order one of the exact quantities in [Exhibit 423.4](#) nearest the calculated requirement. Orders for less than the minimum quantity listed will not be accepted.

**Note:** When the calculated requirement falls between multiples, submit two Forms 3216 for the item, one for the standard packaged quantity just below the calculated requirement and the other for a multiple of the

minimum quantity that will bring the total of the two requisitions nearest the need. For example, if the requirement for item number 3241 is 8,000 postal cards, submit one requisition for 5,000 postal cards of item number 3241 and a second requisition for 3,000 postal cards of item number 3241.

**Note:** When the calculated requirement exceeds the maximum for the item number by double the maximum or more, submit more than one requisition for the maximum quantity. For example, if the requirement for item number 3225 is 75,000 postal cards, submit three requisitions, each for 25,000 postal cards of item number 3225.

In a CAG A–C post office, you may requisition specially packaged postal cards as indicated on the Form 3216 to facilitate filling requisitions from stations without repacking.

- 6>** Send the completed requisition form to the accountbook unit for recording the first six columns of Form 3036.
- 7>** To reorder, send the last card, Form 3217, *Order for Forms 3216* in envelope EP-10C, to:

GOVERNMENT PRINTING OFFICE  
STOP MMSA ROOM A 205  
NORTH CAPITOL AND H STS NW  
WASHINGTON DC 20401-0001

Do this when the supply of forms 3216 dwindles to a level that will allow for only one more requisitioning cycle. Allow 30 days for the forms to reach the post office.

#### 423.43 Ordering Stamped Envelopes

- 1>** Order plain stamped envelopes once every accounting period, maintain an 8-week inventory, and follow the envelope order schedule, [Exhibit 423.4](#).
- 2>** Prepare Form 3205, *Requisition for Plain Stamped Envelopes*. Include the post office city, state, ZIP Code, finance number, and a requisition number. Do not lend these forms to another post office. These forms are issued in ascending numerical sequence in lots of 100 cards to an SDO or 50 cards to other post offices. Order only one stamped envelope item on each Form 3205. Identify the desired stamped envelope item number. Use all four digits. Order in multiples of 500 envelopes.
- 3>** Order sufficient quantities of envelopes to save the Postal Service costly emergency shipping charges. If there is an emergency, identify emergency orders by enclosing a memorandum with the requisition. The memorandum should list the reason for out-of-cycle ordering, the date the envelopes are required, the shipping address, the signature of the local manager, and the post office's telephone number, including the area code.
- 4>** Send completed Form 3205 to the accounting unit for recording the first six columns of Form 3036.

- 5>** Mail to:  
 STAMP FULFILLMENT SERVICES  
 PO BOX 219424  
 KANSAS CITY MO 64121-9424

Submit all requisitions to arrive at least seven days before the due date indicated on the ordering schedule. Shipments occur the second week following the scheduled submission week. Requisitions received in a week other than the indicated week are held until the next shipping cycle. Submission weeks for stamped envelopes are not the same as those for stamps and postal cards.

- 6>** Reorder Form 3205 by sending the last card, Form 3206, *Order for Forms 3205*, to Stamp Fulfillment Services when the supply of Form 3205 dwindles to a level that allows one more requisitioning cycle. Allow 30 days for the forms to reach the post office. The telephone number for Stamp Fulfillment Services is 816-455-0970, and that number is answered from 7:00 a.m. to 3:30 p.m., Central Standard Time.

## 423.5 Receiving and Accounting for Stamp Stock Received

### 423.51 Handling Advice of Shipment

The BEP, GPO, and Stamp Fulfillment Services will send separately an advice of shipment at the same time as all bulk stock accountable paper shipments.

#### Recording Advice of Shipment

Upon receipt, deliver all advices of shipment to the postmaster or accountbook unit. The postmaster or accountbook unit must promptly do the following:

- 1>** Record on Form 3036, *Record of Stamp Requisitions*, date stock shipped, registry number, and value from the advice of shipment.
- 2>** Forward it to the supervisor of accountable paper so that verification may be made and the date of receipt may be recorded.
- 3>** Return the signed advice or notice of shipment to the postmaster or accountbook unit.
- 4>** Complete the date received column of Form 3036.

**Note:** In the statement of account offices record stock received in part seven, memorandum record for statement of account, in the accountbook.

#### Handling Stock Received Without Advice of Shipment

- 1>** Prepare an Item 0-13, routing slip, as a temporary invoice recording the item number, quantity, registry number, dollar value, and date received.
- 2>** Replace the routing slip with the advice of shipment when it arrives.



- 3> Do not hold stock from sale because you have not received the advice of shipment.
- 4> If after 15 days you have not received the advice of shipment, request by memorandum a duplicate from the source from which you ordered the stamp stock.
- 5> Send the memorandum including the item number, quantity, dollar value, registry number, and date stock received in the preaddressed envelope used for mailing requisitions to the appropriate source.

#### 423.6 Examining the Shipment

- 1> Upon receipt, open all stock and verify to the advice of shipment or computer-generated Form 17, with a witness.
- 2> Examine each shipping carton to ascertain that the address is correct, the seal is unbroken, and the unit is not damaged.
- 3> Report tampering to the inspector in charge immediately.
- 4> Accept as correct all stock received in original cartons or sealed boxes, including unbroken packages of sheet stamps, and place them unopened and intact in inventory until needed.
- 5> Compare the item number, registry number, quantity and dollar value of each carton, sign and date the advice of shipment, and forward it to the accountbook unit.

**Note:** Enter the total value of the advice of shipment or Form 17 as stock received even if the physical quantity is not the same.

#### Verifying Stamps in Panes

- >> Verify that each unit contains 100 panes of the denomination and type of stock ordered. Follow instructions on the package for making the verification before removing the sealed film wrapper on the individual packages.

#### Verifying Stamp Booklets

- >> Verify that each package contains the number of booklets in the denomination and type described on the unit package. Do this before breaking the package seal.

#### Verifying Coils

- >> Verify that each container of stamp coils contains the quantity of coils, type, and denomination of stock ordered. Do this before breaking the seal.

#### Verifying International Reply Coupons

- >> Verify by counting the quantity contained in packages and cartons.

**Verifying Stamped Envelopes and Postal Cards**

- >> Verify by checking the number of boxes or packages and the denominations of the envelopes or cards against the carton labels, and verify against the Form 3309.

**Verifying Philatelic Products**

- >> Verify when a carton is opened that the number of items agrees with the quantity printed on the outside of the carton.

**423.7 Handling Shortages and Damaged Stamp Stock**

- 1> If a registered article is missing from the stamp stock shipment, contact the registry section at the mail processing center. Provide the registry number as listed on the advice of shipment or Form 17. Contact the postal inspector in charge immediately.
- 2> If an article that is not registered is missing, immediately contact the mail processing center, the SDO, and the postal inspector in charge.

**423.71 Reporting Shortages in Sealed Packages**

Shortages may occur within original packages or cartons of postage, migratory bird stamps, international reply coupons, postal cards, aerogrammes, stamped envelopes, or stamp products shipped from the following sources:

- Bureau of Engraving and Printing.
- Government Printing Office.
- Private sector stamp production contractors.
- Stamp product contractors.
- Stamped envelope contractors.
- Transfers between SDOs, APDs, and SDNs.
- >> Report by telephone to stamp acquisition, quality assurance (202-268-6542) immediately, with a description if a shortage exceeds one of the following levels, regardless of where the shortage is found:
  - Booklets — a full unit of 25 or more.
  - Panes — a single deck or pad of 100 or more.
  - Postal cards — 1 or more full packages of 250.
  - Stamped envelopes — 1 or more cartons of 500.
  - Aerogrammes — 1 or more cartons of 500.
  - Stamp packets (vending) — 1 or more packages of 25.
  - Philatelic products (packets, folders, books, or albums) — 15 or more.
  - International reply coupons — 100 or more.
  - Coil of 100 stamps — 6 or more coils.  
Coil of 500 stamps — 1 or more coils.  
Coil of 3,000 stamps — 1 or more coils.

Coil of 5,000 stamps — 1 or more coils.

Coil of 10,000 stamps — 1 or more coils.

#### 423.72 Reporting Shortages

**1>** Report shortages immediately on Form 8144, *Stamp Discrepancy Report*. See [Exhibit 423.72](#).

**2>** Forward a copy of the completed Form 8144 to the following office immediately:

ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

**Note:** Enter the full advice of shipment value of the stock received to AIC 005, Postage Stock Received, or AIC 010, Bird Stock Received.

At the end of each AP, consolidate the original Forms 8144 and use them as supporting documentation for filing Form 2130, *Claim for Loss*.

**Note:** For SFAP offices under the SDO, refer to section 436.1 for reporting instructions. For SFAP offices under the SDN, refer to section 446.1 for reporting instructions.

#### 423.73 Reporting Damaged Stock

**>>** Handle stock that is damaged according to section 452 of this handbook.

#### 423.74 Adjusting for Shortages

##### IRT Offices

**1>** Access the Form 3958, *Main Stock Transaction Record*, part of the stamp stock program on the IRT, and enter the full amount of the order (as listed on Form 17, *Stamp Requisition, or Advice of Shipment*) as stock received. Then access the stock shortage option and enter the amount of shortage.

**2>** Observe that the IRT will increase the following:

- Postage sales total on Form 3959 by the amount of the shortage.
- AIC 090, Postage Stock Sales (on daily financial statement)
- AIC 814, Suspense (on daily financial statement)

**3>** Request Form 2130 from the DAO. Complete Form 2130, and make the following entries to the unit Form 1412:

- AIC 367, Employee Stamp Credit Shortage Cleared (increase).
- AIC 633, Claim for Cash Loss (increase).

- 4>** Forward a copy of Form 2130 to the Minneapolis Accounting Service Center (MNASC) upon posting entries to the accountbook. Maintain the original of Forms 8144 locally to support the accountbook entries.

**Note:** Post offices should coordinate these changes with the district accounting office.

#### Non-IRT Offices

- 1>** Enter the full amount of the order (as listed on Form 17 or Advice of Shipment) as stock received in AIC 005, postage stock received.
- 2>** Enter the invoice amount to Line 2, stamps received and stock received on Form 3958 or as an increase to Form 1551-D, *Accountbook*.
- 3>** Enter the difference between the invoice amount and stock actually received as a shortage to Form 3958 as a write-in entry or as a decrease to Form 1551-D. The accountbook entries are:
- AIC 090 (increase)
  - AIC 490, Postage Stock Sold (increase)
  - AIC 805, Ending Inventory — Postage Stock (decrease)
  - AIC 814 (increase)
- 4>** Request Form 2130 from the DAO according to section 845 instructions. Maintain a copy of Form 8144 locally to support the accountbook entries.
- 5>** Prepare Form 2130 and make the following entries to the accountbook:
- AIC 814, (decrease)
  - AIC 633, (increase)
- 6>** Postmasters forward copies of Form 2130 to MNASC upon posting entries to the accountbook.

**Note:** Post offices should coordinate these changes with district accounting.

#### 423.8 Handling Overages in Stamp Stock

Stock overages referred to here are within original packages or cartons of postage, migratory bird stamps, international reply coupons, postal cards, aerogrammes, stamped envelopes, or stamp products shipped from the sources listed in section 423.7. Use the following procedures:

- 1>** Report overages immediately on Form 8144. Forward a copy of Form 8144 to the following address:
- ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

- 2>** Send the stock immediately with the original Form 8144 by registered mail to following address:
- US POSTAL SERVICE  
STAMP DISTRIBUTION NETWORK  
22403 RANDOLPH DRIVE  
DULLES VA 20103-0001
- 3>** Record stock received as the value on the advice of shipment or Form 17.

#### 423.9 **Handling Defective Stock**

Defective stock and stamped paper are not salable and remain the property of the Postal Service. No employee or contractor may purchase, sell, or transfer defective stamps or stamped paper from an official supply.

Any postal employee or contractor discovering defective stamps or stamped paper must immediately return it to the unit reserve stock or main stock.

Defective stock includes obvious printing and production errors such as the following:

- Missing color.
  - Upside-down printing.
  - Bad color registration.
  - No perforations.
  - Perforated stamp design.
  - Missing printing. (Replaces single color.)
- >>** Return defective stamps or stamped paper immediately to the SDO by Form 17. Follow the procedures for shortages in section 436.31.

#### 424 **Handling Unit Reserve Stamp Stock — Offices Served by a Stamp Distribution Network**

##### 424.1 **Automatic Shipments of Stamp Stock**

Post offices automatically receive shipments of commemorative, special issue, and Christmas stamps from the suppliers to the SDN. The SDN ships to stations or branches and post offices in its area. This stock is sent without an order form and is accompanied by Form 17. Form 17 is the supporting documentation for the stock received.

All stations, branches, and post offices requiring more than the standard automatic quantity of a stamp must prepare Form 17 and submit it to the SDN using stock level guidelines and ordering quantities minimums and maximums.

Post offices may request quantity changes to automatic shipments whenever these quantities are consistently more or less than the needs of the post office. Request a change in quantities received by sending a memorandum to the SDN. All requests must include the finance number, SFAS Unit ID

number, present quantity, new quantity requested, signature of the postmaster, and telephone number. Keep these requests to a minimum.

#### 424.2 **Ordering From the SDN**

The SDN will provide an AP schedule for ordering. Follow the schedule so that all orders can be processed in an organized and timely manner.

The minimum quantity of each item of stamps and stamped paper you may order is shown in [Exhibit 423.4](#). Larger quantities must be ordered in multiples of the minimums or the package quantities. When ordering stamps and other accountable paper items that have minimum quantities, order the minimum quantity even though stock limits may be exceeded.

In a CAG H–L post office, order any quantity of postage stamps and stamped paper from the SDN that is needed to meet customer demand, provided that the stock levels outlined in section 422.1 are not exceeded.

#### 424.21 **Ordering Stamp Stock and Philatelic Items**

- 1> Prepare in duplicate Form 17. Both copies of Form 17 must be legible.
- 2> Enter the date stamp, finance number, post office, state, ZIP+4, and unit ID number to the heading of each form. If you are in an SFAP unit and you are ordering from an SDN, record the finance number of the district accounting unit on the Form 17 instead of your own finance number.
- 3> Send the original to the SDN.
- 4> Keep the duplicate.

#### 424.22 **Ordering Domestic Money Orders**

- >> Requisition money orders in multiples of 100 on Form 17 each quarter, if adequate security is available.

#### 424.23 **Ordering International Money Orders**

- >> One month before exhausting the supply, submit a memorandum requisition directly to the SDN. Order a minimum of five form sets of international money orders.

#### 424.24 **Ordering Bait Money Orders**

- >> Follow instructions released in Management Instruction AS-220-95-3, dated 07/11/95, and any subsequent management instruction that supersedes that issue.

**Note:** Main post offices with stations or branches distribute bait money orders to the stations or branches.

#### 424.3 **Placing Emergency Orders**

- >> Submit emergency orders for stamp stock to the SDN only when absolutely necessary. When submitting the Form 17, write “Emergency Order” on the form.

## 424.4 Receiving and Accounting for Stamp Stock Received

### Form 17 — Computer Generated

- >> The SDN will include a computer-generated Form 17 with the shipment of stock. If the computer-generated Form 17 does not come with the order, verify against the copy of the Form 17 filed at the office as a record of the stock ordered. Contact the SDN to resolve any discrepancies.

### Recording

- >> Upon receipt, deliver Forms 17 to the postmaster or accountbook unit. Post to inventory listing and Form 3958.

**Note:** Non-SFAP units should record stock received in part seven, memorandum record for statement of account, in the accountbook.

## 424.5 Examining the Shipment

**Note:** Enter the total value of the advice of shipment or Form 17 as stock received even if the physical quantity is not the same.

### Stamps in Panes

- >> Verify that each unit contains 100 panes of the denomination and type of stock ordered. Follow instructions on the package for making the verification before removing the sealed film wrapper on the individual packages.

### Stamp Booklets

- >> Verify that each package contains the number of booklets in the denomination and type described on the unit package. Do this before breaking the package seal.

### Coils

- >> Verify that each container of stamp coils contains the quantity of coils, type, and denomination of stock ordered. Do this before breaking the seal.

### International Reply Coupons

- >> Verify by counting the quantity contained in packages and cartons.

### Stamped Envelopes and Postal Cards

- >> Verify by checking the number of boxes or packages and the denominations of the envelopes or cards against the carton labels, and verify against the Form 3309.

**Philatelic Products**

- >> Verify when a carton is opened that the number of items agrees with the quantity printed on the outside of the carton.

424.6 **Handling Shortages and Damaged Stamp Stock**

If...	Then...
A registered article is missing from the stamp stock shipment,	Contact the registry section at the mail processing center. Provide the registry number as listed on Form 17. Contact the postal inspector in charge immediately.
An article is missing that is not registered,	Immediately contact the mail processing center, the SDN, and the postal inspector in charge.

424.61 **Identifying Shortages In Stock From Sealed Packages**

Shortages may occur within original packages or cartons of postage, migratory bird stamps, international reply coupons, postal cards, aerogrammes, stamped envelopes, or stamp products shipped from the following sources:

- Bureau of Engraving and Printing.
  - Government Printing Office.
  - Private sector stamp production contractors.
  - Stamp product contractors.
  - Stamped envelope contractors.
  - Transfers between SDOs, APDs, and SDNs.
- >> Report by telephone to stamp acquisition, quality assurance (202-268-6542) immediately, with a description if a shortage exceeds one of the following levels, regardless of where the shortage is found:
- Booklets — a full unit of 25 or more.
  - Panes — a single deck or pad of 100 or more.
  - Postal cards — 1 or more full packages of 250.
  - Stamped envelopes — 1 or more cartons of 500.
  - Aerogrammes — 1 or more cartons of 500.
  - Stamp packets (vending) — 1 or more packages of 25.
  - Philatelic products (packets, folders, books, or albums) — 15 or more.
  - International reply coupons — 100 or more.
  - Coil of 100 stamps — 6 or more coils.  
Coil of 500 stamps — 1 or more coils.  
Coil of 3,000 stamps — 1 or more coils.  
Coil of 5,000 stamps — 1 or more coils.  
Coil of 10,000 stamps — 1 or more coils.



424.62 **Reporting Shortages**

- 1> Report shortages immediately on Form 8144, *Stamp Discrepancy Report*. See [Exhibit 423.72](#).
- 2> Forward a copy of the completed Form 8144 to the following office immediately:  
ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436  
  
**Note:** Enter the full Form 17 value of the stock received to AIC 005, Postage Stock Received, or AIC 010, bird stock received. For SFAP units, use AIC 841.
- 3> At statement of account offices, at the end of each AP, consolidate the original Forms 8144 and use them as supporting documentation for filing Form 2130, *Claim for Loss*.

424.63 **Reporting Damaged Stock**

- >> Handle stock that is damaged according to section 452 of this handbook.

424.64 **Adjusting for Shortages****IRT Offices**

- 1> Access the Form 3958, *Main Stock Transaction Record*, part of the stamp stock program on the IRT, and enter the full amount of the order (as listed on Form 17) as stock received. Then access the stock shortage option and enter the amount of shortage.
- 2> Observe that the IRT will increase the following:
  - Postage sales total on Form 3959 by the amount of the shortage.
  - AIC 090, Postage Stock Sales (on daily financial statement)
  - AIC 814, Suspense (on daily financial statement) or AIC 767 on the unit Form 1412.
- 3> Request Form 2130 from the DAO. Complete Form 2130, and make the following entries to the unit Form 1412:
  - AIC 367, Employee Stamp Credit Shortage Cleared (increase).
  - AIC 633, Claim for Cash Loss (increase).
- 4> Forward a copy of Form 2130 to MNASC upon posting entries to the accountbook. Maintain the original of Forms 8144 locally to support the accountbook entries.

**Note:** SFAP units and post offices should coordinate these changes with the district accounting office.

**Non-IRT Offices**

- 1>** Enter the full amount of the order (as listed on Form 17) as stock received in AIC 005, Postage Stock Received.
- 2>** Enter the invoice amount to Line 2, stamps received and stock received on Form 3958 or as an increase to Form 1551-D, *Accountbook*.
- 3>** Enter the difference between the invoice amount and stock actually received as a shortage to Form 3958 as a write-in entry or a decrease to Form 1551-D. The accountbook entries are:
  - AIC 090 (increase)
  - AIC 490, Postage Stock Sold (increase)
  - AIC 805, Ending Inventory — Postage Stock (decrease)
  - AIC 814 (increase)
- 4>** Request Form 2130 from the DAO according to section 885 instructions. Maintain a copy of Form 8144 locally to support the accountbook entries.
- 5>** Prepare Form 2130 and make the following entries to the accountbook:
  - AIC 814 (decrease)
  - AIC 633 (increase)
- 6>** Postmasters forward copies of Form 2130 to MNASC upon posting entries to the accountbook.

**Note:** Post offices should coordinate these changes with the district accounting office.

## 424.7 Handling Overages in Stamp Stock

Stock overages referred to here are within original packages or cartons of postage, migratory bird stamps, international reply coupons, postal cards, aerogrammes, stamped envelopes, or stamp products shipped from the sources listed in section 423.7. Use the following procedures:

- 1>** Report overages immediately on Form 8144. Use the attached copy of Form 8144 and duplicate it as necessary. Forward a copy of Form 8144 to the following address:  
 ATTENTION QUALITY ASSURANCE  
 MANAGER STAMP ACQUISITION  
 US POSTAL SERVICE  
 475 L'ENFANT PLAZA SW  
 WASHINGTON DC 20260-2436
- 2>** Send the stock immediately with the original Form 8144 by registered mail to the following address:  
 US POSTAL SERVICE  
 STAMP DISTRIBUTION NETWORK  
 22403 RANDOLPH DR  
 DULLES VA 20103-0001

- 3> Record stock received as the value on the advice of shipment or Form 17.

#### 424.8 Handling Defective Stock

Defective stock and stamped paper are not salable and remain the property of the Postal Service. No employee or contractor may purchase, sell, or transfer defective stamps or stamped paper from an official supply.

Any postal employee or contractor discovering defective stamps or stamped paper must immediately return it to the unit reserve stock or main stock. Defective stock includes obvious printing and production errors such as the following:

- Missing color.
- Upside-down printing.
- Bad color registration.
- No perforations.
- Perforated stamp design.
- Missing printing. (Replaces single color.)

Return defective stamps or stamped paper immediately to the SDN by Form 17. Follow the procedures for shortages in section 446.31.

#### 425 Ordering and Receiving Stamp Stock From the Main or Unit Reserve Stock

##### 425.1 Replenishing Stock — Window Clerks

- 1> Replenish stamp credit once a week according to a schedule provided by the unit manager. Stamp credits not used daily need not be so scheduled.
- 2> Maintain a sufficient supply of each stock item to meet normal customer demand. This is normally a 2-week supply of stock.
- 3> Complete requisitions in full panes, boxes, and packaged lots whenever possible.
- 4> Following the requisition schedule, prepare Form 17 in duplicate and send both copies to the unit reserve stock or the main stock that consigned the stamp credit.
- 5> When the stamp stock arrives, list stock counted on the reverse of the copy of Form 17. Ensure that the amounts on the front agree and sign on the received line on the original. Initial any changes or corrections and verify they are identical on each form. Keep the copy of Form 17 until the next stamp credit count.

##### 425.2 Replenishing Unit Reserve Stock

- 1> Replenish stock issued from the unit reserve each accounting period on the date assigned by the main stock custodian.

- 2> When you do not maintain a 9-week level for security reasons, establish and follow a more frequent replenishment schedule.
- 3> Determine the proper stock level for the quantity (not dollar value) for each item in the unit reserve stock during the prior accounting period as shown on Forms 3295.
- 4> To calculate the quantity for each item, multiply the accounting period usage by 1.5.
- 5> Deduct the quantity of the item on hand. Deduct the commemorative stock of the same denomination on hand if more than 60 days have passed since the issue date.
- 6> Increase the quantity to facilitate requisitioning in convenient quantities (panes of stamps, packages of postal cards, etc.).
- 7> When you receive stamp stock with the copy of Form 17, verify the stock against the copy. The recipient and the witness, if any, must sign the Form 17. Enter the amount of stock received to the Form 3958. Keep the Form 17 until the next station accountability audit.

#### 425.3 **Filling Requisitions From the Main or Unit Reserve Stock**

##### 425.31 **Scheduling Requisitions**

Establishing a requisition schedule is necessary for an orderly accountable paper system. Deviating from a prescribed schedule reduces the efficiency of the accountable paper function.

- >> Evaluate stations and branches that continually submit emergency requisitions and give their managers further training in managing stamp stock.

##### 425.32 **Assigning Responsibilities**

A stamp supply clerk where authorized or a distribution clerk will fill stamp stock requisitions.

- >> Use the term “supply clerk” to identify this function. Supply clerks must not have a stamp credit for use in the sale of postage, either directly to the public or indirectly through stamp vending equipment.

##### 425.33 **Preparing Requisitions — Supply Clerk**

- 1> Group requisitions by type of stock (postage or bird), arranged alphabetically or numerically.
- 2> Verify Forms 17 to determine the following:
  - a. That the clerk name, station or branch, ZIP Code, and unit ID are correctly listed and the form is signed and dated on the submitted line.
  - b. That the value of each item is correctly stated. Make any necessary corrections on all copies.

- c. That the requisition total is legible and correct. If it is necessary to alter a requisition total, circle the incorrect total and write in the correct total nearby. Endorse all copies of the requisition as follows: "Requisition total changed from \$xxxx to \$xxxx," followed by the verifier's initials.
- 3> Prepare separate adding machine tapes, one for postage and one for bird stamps, of the original Forms 17 total from clerks, stations, and branches. Make a clear impression with the dating stamp at the top of the tapes. Add the postage tape total to the bird stamp tape total. Do the same for the Form 17 carbon copies. The grand total of the original and carbon copies of Forms 17 must agree.
- 4> On a consolidated Form 17, enter the individual postage items from each individual Form 17 to the appropriate column. (Use a blank column for bird stamps.) Total each stock item and prepare an adding machine tape of the individual stock item totals. Compare the total value of stock entered on the consolidated Form 17 to the total of the original tapes. (Automated consolidated Forms 17 may be prepared by any post office so equipped.)
- 5> When the preparation is complete, give the following to the main stock custodian:
  - Consolidated Form 17.
  - A set of adding machine tapes consisting of one tape for each of the following:
    - Station and branch postage.
    - Station and branch bird stamps.
    - The total, which must equal the total shown on the consolidated Form 17.

#### 425.34 **Making a Withdrawal From Main Stock — Main Stock Custodian**

- 1> Open the main stock vault and withdraw the quantity of each item on the consolidated Form 17.
- 2> Have another employee verify stock quantities to Form 17, and sign and date the witness line.
- 3> Close and lock the main stock vault.
- 4> Enter the total dollar amount requisitioned from stations and branches for bird or postage stamps to the appropriate column of line 10 on Form 3958.
- 5> Return the consolidated Form 17 with all postage and bird stamps to the supply clerk, who must count the stock and sign in line 10 of the blank column on Form 3958.
- 6> Submit Form 3958, signed by the supply clerk, to the accounting unit for comparison.

**425.35 Preparing a Shipment — Supply Clerk**

- 1>** Count and set aside the items for each requisition.
- 2>** Sign and date the shipped line of the original and copy of Form 17.
- 3>** Have another employee verify stock quantities to Form 17, and sign and date the witness line of the original and copy.
- 4>** Make sure the quantities apportioned to the several requisitions equal the totals withdrawn from the main stock after all requisitions in the particular group have been filled. Resolve all discrepancies before sealing.
- 5>** Together with the witness, address the package and include the Form 17 copy before sealing. Register any package worth more than \$500 under normal registry procedures. Hand carry shipments by ordinary mail to the appropriate point of dispatch.

**425.36 Keeping Stamp Stock Records — Supply Clerk**

- 1>** Using the consolidated Form 17, make a single line entry to the appropriate Form 3295 for each item of stock withdrawn.
- 2>** Using the second set of adding machine tapes, enter the dollar amounts of the requisitions to the appropriate column of a Form 3958 on line 10.
- 3>** On the day you ship, deliver Form 3958, supported by the original Forms 17 and adding machine tapes, to the accounting unit. File the consolidated Form 17 for one postal quarter at the accountable paper unit.

**425.37 Carrying Out Accountbook Unit Procedures**

- 1>** Verify that the opening balance on Form 3958 is the same as the previous Form 3958 closing balance, that other entries on Form 3958 match the supporting documents, and that the arithmetic is correct.
- 2>** Match Forms 17 for stations and branches against entries to AIC 841, stamps received, in the stamp accountability section of subsequent unit Forms 1412.

**425.38 Procedural Exceptions at Stations**

- 1>** Schedule the filling of window clerk requisitions weekly. Report window clerks who fail to follow the schedule to the station manager.
  - A clerk without a stamp credit should fill window clerk requisitions. When such a clerk is not available, a clerk with a stamp credit may fill requisitions. Whoever performs this task must follow the procedures in sections 425.33, 425.35, and 425.36.
  - The unit reserve stock custodian must perform the procedures in section 425.34.
  - The person responsible for the unit Form 1412 will perform the procedures in section 425.37.

- 2> Treat all stock, salable and nonsalable, as stock returned to the main stock. Form 17 (*Return*) supports the entry to AIC 848 on the Form 1412.

## 426 Handling Stamp Credits

### 426.1 Defining Stamp Credits

A stamp credit is the value of the stamp stock consigned to an employee from the main or unit reserve stock in an office. A window clerk stamp credit consists of the supply of each stock item necessary to meet normal customer demand.

- >> As customer demand is inconsistent with weekly replenishment, give some latitude. Hold stamp credits to a reasonable multiple of the weekly sales amount. Adjust the value of stamp credits consistent with the protection afforded to facilitate requisitions for full units of stock. You may exceed stock limits to permit filling of orders in full sheets, boxes, or packaged lots. During Christmas and other high-volume periods, determine stock limits by local office standard operating procedures without individual authorizations.

### 426.2 Protecting Stamp Credits

- 1> Place stamp credits in a locked container and store in a security container, safe, or vault following an employee's tour of duty.
- 2> Do not allow any employee, supervisor, or postmaster to have access to the stamp credit of another employee.
- 3> Grant an employee the opportunity to be present whenever his or her financial accountability is inventoried or audited. If the employee is not available, a witness of the employee's choice must be present. Each employee assigned a stamp credit must furnish the installation head two names of postal employees (in order of precedence) whom the employee chooses to witness the audit or inventory when he or she is absent. Enter the names of the selected witnesses on Form 3977.
- 4> Select chosen witnesses from employees who work at the same installation unit as the selecting employee. In their absence, the union steward may serve as a witness.
- 5> If it is necessary to gain access to a receptacle assigned to an absent employee, obtain the keys to the receptacle following the instructions printed on Form 3977. Make a witnessed inventory whenever access to an employee's accountability is gained in this manner. Do not reuse the old locks.
- 6> Prepare a new Form 3977 and keep the old envelope with certified count sheets. See section 372 for maintenance of Forms 3977.
- 7> Whenever an employee relinquishes control of an assigned stamp credit for any reason, change the locks on the employee's stamp and cash drawers.

- 8>** To safeguard each clerk's stamp credit, a unit supervisor must make an annual examination of all locks and keys in the unit except duplicate keys on file in Forms 3977. This ensures that individual clerks' keys will not open locked drawers, safe compartments, or stamp cabinets of other employees. The supervisor will keep a record for financial examination purposes.

**Note:** See section 372, Form 3977, for maintenance and verification procedures.

#### 426.3 **Consigning Stamps Into Credits**

##### 426.31 **Consigning by Postmasters or Supervisors in Offices Without Stations and Branches**

- >>** Consign stamp credits to clerks from the main stock. Postmasters choosing to have the relief or replacement employee make sales from the main stock are exempt from consigning stamp credits. If the office is organized under the main office window unit (MOWU) concept, consign a stamp credit to the MOWU manager, who will consign stamp credits to clerks.

##### 426.32 **Consigning in Offices With Stations and Branches**

- >>** Consign stamp credits to station, branch, and MOWU managers and contractors from the postmaster's main stock. Station, branch, and MOWU managers will consign stamp credits to clerks at their units. For SFAP units, the SDO or SDN will consign stock to offices with stamps and branches.

##### 426.33 **Consigning to Rural Route Carriers**

- 1>** Consign a fixed amount of stamp stock sufficient to serve the needs of the customers on the route. The carrier may choose to purchase the stock with personal funds.
- 2>** Consign stock on Form 3369, *Consigned Credit Receipt*, only from an employee with a stamp credit.
- 3>** Complete Form 3369 in triplicate and distribute as follows: (a) original to the employee who issued the stock, (b) duplicate to rural carrier, and (c) triplicate to the postmaster.
- 4>** Replenish stamp credits regularly to ensure availability of stock for customer demand. Consignment and replenishment are ordinarily performed by the post office at the head of the route. Rural route carriers do not need to replenish stamp credits daily.
- 5>** Make replenishment by an employee who regularly sells postage. Treat this transaction as an over-the-counter sale of postage. Do not use Form 17 or Form 1412.
- 6>** Audit rural stamp credits at least every 4 months to ensure the credit is properly maintained.



#### 426.34 **Handling Stamp Credits for Special Use**

- 1> Use this stamp credit only for special purposes, such as affixing postage stamps to mailer's pre-barcoded courtesy reply envelopes, or as directed in a specific instance.
- 2> Issue a fixed amount of postage stamps to a person not having any other stamp accountability. Do not create a separate consignment at offices with main stock sales.
- 3> Make sure the person receiving the postage stamps signs Form 3369 for the total postage stamp amount received. Any change in the amount of stamps requires a new Form 3369 to be completed and signed.
- 4> Use a Form 25, *Trust Fund Account*, identified to its specific use, to record the value of postage affixed daily. The employee is responsible for the total on Form 3369 in stamps and/or the total usage shown on Form 25 since the last replenishment. Once a week, the unit supervisor must verify the day's entry to the number of stamps used based on the count of stamps affixed to the envelopes.
- 5> To replenish the credit, the employee must line off the Form 25, total the amount of postage used, sign it, and give it to the supervisor. The supervisor must verify the total and complete Form 3533, *Application and Voucher for Refund of Postage and Fees*, in duplicate, for the total amount of the postage used. The supervisor must give the original to the employee and keep the copy. The employee must submit the original Form 3533 to a window clerk to receive an equivalent amount of postage stamps. The supervisor must file the duplicate Form 25 by Postal Fiscal Year (PFY).
- 6> At offices with main stock sales, enter daily usage on Form 25. At the close of each postal quarter, before the verification required in section 428.2, line off Form 25 and prepare Form 3533.
- 7> At offices with IRTs, the issuing window clerk must enter the postage stamp amount to AIC 090, Postage Sales, and the Form 3533 amount to AIC 553, Stamps and Fees Refunded. These amounts must be equal. At offices without IRTs, the entry to AIC 553 will be sufficient, as it will adjust postage sales at closeout.
- 8> As you fill out Forms 25, give them to the supervisor to be filed by PFY with the Forms 3533. Purge these files 2 years after the close of the PFY.

#### 426.4 **Initiating a Stamp Credit — Cash**

##### 426.41 **Window Clerks**

The cash portion must not exceed 10 percent of the stamp credit or \$100, whichever is smaller.

Any employee with a stamp credit who is not scheduled for window duty within the next 5 working days must remit all funds, excluding loose change,

at the end of the tour. This does not apply to relief or replacement employees working once a week or less.

When closing out each day, clerks consigned stamp credits must visually estimate the cash in coins within a \$5 tolerance. They must keep enough paper money to complete their authorized cash portion and remit all other funds.

#### 426.42 **Contractors**

Contractors are authorized to keep stamp funds up to 10 percent of the stamp credit but not more than \$100 as a change fund for conducting postal business.

#### 426.43 **Stations**

No portion of the station reserve stock may be in cash. Whenever a central change fund is required for efficient operation, a fixed credit should be established from the postmaster's authorized cash reserve.

#### 426.44 **Limit on Main Stock Sales**

The cash portion of the main stock must not exceed 10 percent of the total accountability or \$100, whichever is smaller. This amount is not part of the authorized cash reserve (see section 331).

#### 426.45 **Issuing Stamp Stock**

##### **Stamp Stock Custodian**

**>>** Fill stamp stock requisition as described in section 426.3.

##### **Postmaster or Supervisor**

- 1>** Both the supervisor and the employee must physically count the stamp stock to be issued. The supervisor must enter the count to one Form 3294, and the employee must enter an independent count to a separate Form 3294. Verify the counts item by item and resolve discrepancies after each stamp credit container has been counted.
- 2>** The employee receiving the postage stamps must sign Form 3369 for the total postage stamp amount received. Any change in the amount of stamps credit level will require a new Form 3369 to be completed and signed. The person consigning the stock must complete Form 3369 in triplicate. Enter the following information:
  - Name and work location of the employee accepting the stamp credit consignment.
  - Amount of stock in the stamp credit. (This will be from Form 17 for new stamp credits or Form 3294 for transferred credits.)
  - Maximum cash to be retained.
  - Date and signature of the person issuing the stamp credit.
- 3>** The employee who accepts responsibility for the credit must date and sign the form.

- 4> Maintain the original Form 3369 in the record of stamp credits (see section 426.5). Maintain a copy in a central file under the postmaster's control. The stamp credit holder must also retain a copy.
- 5> Complete the heading information on Form 3368, *Stamp Credit Examination Record*, and record the results of the count. Enter in the appropriate column the last date for completion of the next examination as required by the national agreement.
- 6> Employees who work in postal retail stores or post offices under unit accountability can be assigned a stamp credit for other retail or financial operations at other units.

#### 426.5 Recording Stamp Credits

- 1> Maintain a continuous record of the value of each stamp credit. The record must be controlled by the postmaster or the manager accountable for the stock from which the stamp credit was consigned. It must not be accessible to the credit holder.
- 2> Prepare the record consisting of the original signed Form 3369 and Forms 1412 or 3958 that show the changing value of the stamp credit. After each count of an employee's stamp credit, keep Forms 1412 or 3958 related to that period for 1 year or until all differences exceeding tolerance within the unit (including the unit reserve) are resolved.
- 3> Maintain a drawer or similar container of file folders, one for each credit, arranged in alphabetical (or numerical) order within groups (units or clerks). Locate the file where it is accessible only to authorized persons.
- 4> Establish a stamp credit file for each stamp credit holder. The file must be under the postmaster's or supervisor's control and must include the following:
  - All Forms 3294.
  - Form 3368.
  - Form 3369.
  - Form 571, *Discrepancy of \$100 or More in Financial Responsibility*.
  - Letters of demand for payment.

**Note:** The clerk's opening balance, AIC 840, stamp accountability opening balance, should be zero. Enter the total of the stamp credit to AIC 841, stamps received.

#### 426.6 Closing a Stamp Credit — Postmaster or Supervisor

- 1> Clear stamp credits issued as described in section 426.3 through the employee who consigned the credit.
- 2> When a stamp credit is canceled, transfer the file folder with the postmaster's copy of Form 3369 from the active file to an inactive file for 1 year.

- 3> Cancel stamp credits not used at least once in an AP.
- 4> Follow count procedures in section 429.1 when closing a credit. Do not apply a tolerance when closing a credit.

#### 426.7 **Maintaining Accountability**

Bargaining unit employees are accountable to the postmaster, unit manager, or finance station clerk, depending on the source of their stamp credit.

#### 426.71 **Maintaining Unit Reserve Stock**

- 1> Maintain the unit reserve stock on Forms 3295. Report the transactions affecting the unit reserve stock on Forms 3958. Initiate a Form 3958 only when there are unit reserve stock transactions.
- 2> Take the opening balance on Form 3958 from the previous day's closing balance for each type of stock.
- 3> Stock received comes from two sources — the main stock (line 2) and clerks within the station (line 5). Support each type of transaction using Forms 17.
- 4> The reductions to the reserve stock are stock returned to the main stock (line 9) and clerk requisitions filed (line 10). Support each using Forms 17.
- 5> Forward the original Form 3958 with supporting documents to the employee who initiates the unit Form 1412. Keep copies of Form 3958 in chronological order until the next station accountability audit.

#### 426.72 **Maintaining Station Stamp Accountability**

- 1> Maintain station stamp accountability on the unit Form 1412. The unit Form 1412 is a combination of selected entries from both the unit reserve stock Form 3958 and all individual stamp credits. Use the following steps:
  - Make sure the opening balance, AIC 840, is the closing balance, AIC 853, from the previous unit Form 1412.
  - Enter stock received from line 2 of Form 3958 to AIC 841.
  - Enter the total of Forms 3220 received from window clerks to AIC 846.
  - Enter stock returned from line 9 of Form 3958 to AIC 848.
  - Enter the total sales from window clerk Forms 1412 to AIC 852.
  - Compute the closing balance, AIC 853, for the station.
- 2> Forward the original unit Form 1412 with all required supporting documents as directed by local management. Keep station copies in chronological order until the next station accountability audit.
- 3> File each clerk's Form 1412 and the Form 3958 in the station record of stamp credits (see section 426.5). Before placing each of these documents into the folder, verify the opening balance. Correct any difference and notify the employee involved.

**426.8 Handling Stamped Envelope Discount and Revaluation****426.81 Recording Plain Stamped, Window, and Nonprofit Stamped Envelopes**

- >>** Record plain stamped envelopes including window and nonprofit at the face value. Sell full boxes of envelopes to customers at the rates specified by *Domestic Mail Manual* (DMM) Module P020. This results in making sales of 500 (and multiples thereof) at a discount.

**426.82 Recording Sale of Full Boxes to Customers at Discount**

- 1>** See that the window clerk reports the sale of full boxes as "Postage Sales" on Form 1412 *at the discounted amount*. Apply the discounted amount to the employee's stamp accountability by submitting Form 3220, *Claim for Stamped Envelope Discount*.
- 2>** Enter the discount amount to AIC 846 and support with Form 3220.
- 3>** Make entries in ink.
- 4>** Enter the purchaser's name (firm name, if applicable). If a cash purchaser is unwilling to provide the name, indicate this on the form and notify a supervisor who will initial the entry.
- 5>** Submit Form 3220 for credit at least once each AP.
- 6>** See that the unit manager or other designated person verifies the computations on Form 3220. Manager verification will determine if the claim is reasonable by ensuring the clerk has Forms 17 showing that sufficient stamped envelopes were in his or her possession.

**426.83 Revaluating Stamp Stock**

Use the following procedures to revalue stamp stock.

**IRT Offices**

- 1>** Receive the stock from the SDO or SDN at the value shown on the advice of shipment or Form 17.
- 2>** Ship all stock to be revalued to window clerks.
- 3>** Have the window clerks multiply the number of stamps on hand (by category) by the difference between "shipped value" and "approved value."
- 4>** Have each window clerk enter the difference by category on Form 17.
- 5>** Enter the total on the Form 17 to clerk's IRT disk. Every clerk with stock to be revalued must complete the Form 17 and make the entry to disk before making any sales.

If...	Then...
The approved rate is higher than shipped value,	Enter the, total from Form 17 to AIC 844, Stock Increase — Revaluation. When the clerk disks are consolidated, the total revaluation for the unit will be the total amount in AIC 844 on the unit Form 1412. For main stock units, the revaluation amount in AIC 844 will roll to AIC 171, Postage Stock Revaluation — Increase, on the daily financial statement. This amount will automatically be offset by an increase to AIC 805, Postage Stock Inventory.
The approved rate is lower than shipped value,	Enter the total from Form 17 to AIC 850, Stock Decrease — Revaluation. When the clerk disks are consolidated, the total revaluation for the unit will be the total amount in AIC 850 on the unit Form 1412. For main stock units, the revaluation amount in AIC 850 will roll to AIC 509, Postage Stock Revaluation — Decrease, on the daily financial statement. This amount will automatically be offset by a decrease to AIC 805, Postage Stock Inventory.

- 6> The next day, delete the items with the original “shipped” values from the stamp stock inventory listing. After deletion, reestablish the same items with the new “Approved” values. Window clerks may return stamps to be revalued to the main stock or unit reserve on Form 17 at the new value.

### Non-IRT Units

- 1> Receive the stock from the SDO or SDN at the value shown on the advice of shipment or Form 17.
- Note:** Revalue the stock before shipping to window clerks.
- 2> Multiply the number of stamps to be revalued on hand by category by the difference between “shipped value” and “approved value.”
- 3> Enter the differences on Form 17.

### Main Stock Units

If...	Then...
The approved rate is higher than shipped value,	Enter the total from Form 17 to Form 3958 on line 3 (blank) and write in Revaluation — Stock Increase and support the entry with the Form 17. Make a corresponding entry to line 3 on Form 3959. This will increase the office’s accountability to reflect the new price. In the accountbook, make a write-in entry to AIC 171 for the amount of the difference. Offset this by an increase to AIC 805 in the analysis section.

If...	Then...
The approved rate is lower than shipped value,	Enter the total from Form 17 to Form 3958 on line 12 (blank) and write in Revaluation — Stock Decrease and support the entry with the Form 17. Make a corresponding entry to line 9 on Form 3959. This will decrease the office's accountability to reflect the new price. In the accountbook, make a write-in entry to AIC 509 for the amount of the difference. Offset this by a decrease to AIC 805 in the analysis section.

### Reserve Stock Units

If...	Then...
The approved rate is higher than shipped value,	Enter the total from Form 17 to Form 3958 on line 3 (blank), write in Revaluation — Stock Increase and support the entry with the Form 17. Enter the total to AIC 844 on the office's Form 1412.
The approved rate is lower than shipped value,	Enter the total from Form 17 to Form 3958 on line 12 (blank), write in Revaluation — Stock Decrease and support the entry with the Form 17. Enter the total to AIC 850 on the office's Form 1412.

- 4>** Issue stamp stock revalued to window clerks with the new approved value.

## 426.9 Handling International Reply Coupons

### 426.91 General

For definitions of international reply coupon (IRC) categories, see sections 437.32 and 447.33.

Other financial procedures are contained in the *International Mail Manual* (IMM), Part 392.

- 1>** Foreign-issued IRCs are exchanged at U.S. post offices as specified in the IMM, Part 392.3b. (Foreign-issued IRCs dated prior to January 1, 1975, are not exchanged at domestic post offices. Customers possessing these coupons may return them to the sender for replacement from the selling office.)
- 2>** Do not commingle exchanged foreign-issued IRCs with unused U.S.-issued refunded IRCs (those with the U.S. selling price on them that were returned for refund by customers). U.S.-issued refunded IRCs may be exchanged at local post offices as specified in the IMM, Part 392.3a.
- 3>** Treat U.S.-issued refunded IRCs as nonsalable stock and dispose of them as outlined herein and in section 462. (When rates change, special instructions will be provided in the *Postal Bulletin*.)

**426.92 Window Clerks**

- 1>** Return all exchanged foreign-issued and U.S.-issued refunded IRCs with a Form 17 to the unit reserve/main stock custodian.
- 2>** Record the total amount of the foreign-issued and U.S.-issued refunded IRCs to AIC 848 on Form 1412-A or 1412-B.

**426.93 Unit Reserve**

- 1>** Enter the amount of exchanged foreign-issued and U.S.-issued refunded IRCs to Form 3295, in the Quantity Received column, and Form 3958, line 5, when received in the unit reserve stock.
- 2>** Send exchanged foreign-issued and U.S.-issued refunded IRCs with Form 17/17-T to the main stock as management directs and enter the total amount to Form 3295, Quantity Issued column; Form 3958, Line 9; and Form 1412-A or 1412-B, AIC 848.

**426.94 Main Stock**

- >>** Enter exchanged foreign-issued and U.S.-issued refunded IRCs to Form 3295, Quantity Received column, and Form 3958, line 5, upon receipt into the main stock.

**426.95 Annual Submission to the ASC**

- 1>** Send all exchanged foreign-issued IRCs accepted through December 31 each year to the ASC with the statement of account for AP 6 or PQ II.
- 2>** Send all U.S.-issued refunded IRCs accepted through December 31 each year to the ASC with the statement of account for AP 6 or PQ II.
- 3>** Bind exchanged foreign-issued IRCs in packages of 100.
- 4>** Bind U.S.-issued refunded IRCs in packages of 100 (separately from exchanged foreign-issued IRCs).
- 5>** Prepare a memorandum, in duplicate, containing the following information:
  - Total number and value of exchanged foreign-issued IRCs.
  - The signatures of the employee and a witness verifying the count and dispatch.
- 6>** Prepare a separate memorandum, in duplicate, containing the following:
  - Total number and value of U.S.-issued refunded IRCs.
  - The signatures of the employee and a witness verifying the count and dispatch.
- 7>** Remove the total amount of exchanged foreign-issued and U.S.-issued refunded IRCs from Form 3295 and enter to Form 3958, line 12, as a write-in to "IRC". Send memorandum with foreign-issued exchanged and U.S.-issued refunded IRCs with Form 3958 to the accountbook unit.



**426.96 Accountbook Procedures for Non-IRT Units**

- 1>** Enter the total amount of the memorandums (exchanged foreign-issued and U.S.-issued refunded IRCs) as a write-in to AIC 625 in the disbursement section of the accountbook.
- 2>** Make the same entry to line 9 of Form 3959, *Daily Recap — Stamp Stock Transactions* (or the Decrease column of Part VI of Form 1551-D).
- 3>** Send original memorandums, exchanged foreign-issued and U.S.-issued refunded IRCs, with the statement of account.
- 4>** Keep the duplicate.

**426.97 Accountbook Procedures for IRT Units (Non-SFAP Offices)**

AIC 625, International Reply Coupons Exchanged, is not operational in the current IRT software. Non-SFAP offices with IRTs should follow the procedures listed below when returning IRCs:

- 1>** Return any IRCs that are in clerk credits to the main stock.
- 2>** Make sure all IRCs are in the main stock inventory.
- 3>** Have the main stock custodian access Form 3958, entry function of the stamp stock program on the IRT.
- 4>** Remove exchanged foreign-issued and U.S.-issued refunded IRCs from main stock inventory using the Stock Shipped option of the IRT (option 6 on the MOS IRT or option 9 on the Unisys IRT).
- 5>** When the Form 3958 is printed, have the main stock custodian write "IRCs" next to the Stock Shipped entry.
- 6>** When the daily financial statement is printed, enter amount to stock shipped as AIC 501, Postage Stock Shipped. Cross out AIC 501 and enter total amount of "Exchanged/refunded IRCs only" in AIC 625.
- 7>** When posting the accountbook, enter the amount in AIC 625.
- 8>** When posting the statement of account, enter the amount in AIC 625.
- 9>** Send the original memorandum for exchanged foreign-issued IRCs and the original memorandum for U.S.-issued refunded IRCs and IRCs with statement of account to the DAO.

**Note:** If the office had other entries in AIC 501, deduct the amount for exchanged/refunded IRCs and enter in AIC 625, and keep the remainder in AIC 501.

## 426.98 Annual Submission Procedures for SFAP Offices

### Stamp Distribution Offices

Stations and branches and SFAP offices must submit exchanged foreign-issued and U.S.-issued refunded IRCs to the SDO before the close of AP 6. The post office performs the following tasks:

- 1> Prepare Form 17 in quadruplicate. Submit copies 1 and 2 with the stock. Submit copy 3 to support the Form 1412-A or 1412-B entry and file copy 4 locally. Mark Form 17 "IRC's Return."
- 2> Record IRCs shipped to AIC 848. Make this entry when you ship the IRCs to the SDO.
- 3> Ship exchanged foreign-issued and U.S.-issued refunded IRCs and Form 17 to the SDO.

### Stamp Distribution Network

Stations and branches and SFAP offices must submit exchanged foreign-issued and U.S.-issued refunded IRCs to the SDN before the close of AP 6. The post office performs the following tasks:

- 1> Prepare Form 17 in quadruplicate. Submit copies 1 and 2 with the stock. Submit copy 3 to support the Form 1412-A or 1412-B entry and file copy 4 locally. Mark Form 17 "IRC's Return."
- 2> Record IRCs shipped to AIC 848. Make this entry when you ship the IRCs to the SDN.
- 3> Ship exchanged foreign-issued and U.S.-issued refunded IRCs and Form 17 to the SDN.

## 427 Handling Migratory Bird Hunting and Conservation Stamps

- >> Requisition bird stamps before July 1 each year. Report them separately from postage stock in the main/reserve stock and the accountbook. Show bird stamps and postage stock accountability on Form 1412 as one amount. Before the close of AP 6 or PQ II, return bird stamps to the main stock/unit reserve. No later than AP 8, submit them to the Stamp Stock Destruction Committee on Form 3238 or SDN Stamp Stock Return Committee on Form 17-T.

## 427.1 Window Clerk Reporting

- 1> Enter the total number of bird stamps received to the increase column of Form 2960, *Inventory Record*, and compute a new balance.
- 2> Report bird stamp sales at least once at the end of the accounting period. Determine the amount of bird stamp sales by subtracting the physical count of these stamps from the balance as shown on Form 2960.

- 3> Enter the sales amount to AIC 091 on Form 1412 and to the decrease column of Form 2960 and compute a new balance.
- 4> Before the close of AP 6 or PQ II, return the bird stamps remaining in the stamp credit to the main/reserve stock on Form 17 (*Return*).

#### 427.2 **Station Reporting**

Report bird stamps in the same way as postage stock. Report reserve stock on Form 3958, and sales on the unit Form 1412. Account for all unsold bird stamps and return to the main stock before the close of AP 6 or PQ II.

#### 427.3 **Post Office Reporting**

##### 427.31 **Reporting With Stamp Credits**

- 1> Report bird stamps in the same way as postage stock. Report the main stock of bird stamps on Form 3958, and bird stamp sales on the consolidated Form 1412. Make entries to Form 3959 and from there record in the accountbook.
- 2> Make sure the bird stamps closing balance on form 3958 equals the amount carried in AIC 806 of the accountbook only at the close of AP 6 after all stations and clerks have returned unsold bird stamps.

##### 427.32 **Reporting With Main Stock Sales**

- >> Control bird stamps by entries to Form 1551-D, *Daily Stamp Stock Record*.

##### 427.33 **Philatelic Outlet Reporting**

Report the total amount of these bird stamps in AIC 806 and in the remarks block by year and amount on the reverse of the AP 9 statement of account. Post office philatelic outlets may maintain inventories of prior year bird stamps for sale to collectors.

#### 427.4 **Unsold Bird Stamps**

##### 427.41 **Keeping Records for Bird Stamps Sold for Resale**

- 1> Keep a record of persons purchasing bird stamps for resale following DMM S020.4.
- 2> Contact those persons in AP 6 to ascertain whether they have any unsold bird stamps.
- 3> Redeem and treat any bird stamps remaining unsold as nonsalable stock.

**427.42 Submitting Unsold Bird Stamps****Non-IRT Statement of Account Offices Serviced by SDO**

Postmasters must follow these procedures:

- 1>** Return bird stamps to the main stock prior to the close of AP 6.
- 2>** Submit for destruction to the stamp stock destruction committee unsold bird stamps no later than AP 8. Prepare Form 3238, *Stamps & Stamped Paper Destruction Certificate*, in quadruplicate. Send the original and two copies of Form 3238 to the destruction committee. Maintain the fourth copy as support until the certified copy is received.
- 3>** Verify the AP 9 or PQ III statement of account to ensure that the entry to AIC 511, Bird Stamps Destroyed, equals the amount in AIC 806, Ending Inventory — Bird Stamps, on the previous statement of account.
- 4>** Submit the signed original Form 3238 with the statement of account to support AIC 511.
- 5>** Report all problems or discrepancies to the district accounting office.

**Note:** The postmaster will not make all entries to the SOA until he or she receives the certified copies of Forms 3238.

**IRT Statement of Account Offices Serviced by SDO**

Main stock IRT offices must follow these procedures:

- 1>** Return all bird stamps to the main stock using a valid item number for bird stamps.
- 2>** Prepare Form 3238 in quadruplicate. Send the original and two copies of Form 3238 to the Stamp Stock Destruction Committee. Keep the fourth copy as support until the certified copies are received.
- 3>** Use item numbers 318–319 for UNISYS IRTs.
- 4>** Do not enter bird stamps as redeemed stock.
- 5>** Print Form 3958 and verify that the total in the bird stamp portion of Form 3958 equals both of the following:
  - The value of bird stamps on hand.
  - The amount in AIC 806 on the previous statement of account.
- 6>** Research and correct any discrepancies before submitting the statement of account. Submit the signed original Form 3238 with the statement of account.
- 7>** When you receive the certified Forms 3238, make the appropriate entries using the stock destroyed option on the IRT. The system automatically posts the total to AIC 511.

**Stations and Branches of District Offices, Standard Field Accounting Procedures Offices Serviced by the SDO**

Window clerks must submit unsold bird stamps to the unit reserve prior to the close of AP 6. The Unit Reserve must submit unsold bird stamps to the Stamp Stock Destruction Committee no later than AP 8, PQ III.

**SFAP Units Serviced by the SDO**

Post offices must follow these procedures:

- 1> Prepare Form 3238 as the original and four copies.
- 2> Submit the original and three copies of Form 3238 with the stock to the destruction committee. The office will maintain the fifth copy as support until the certified copies are received from the destruction committee.
- 3> Mark Form 3238 "Birds Return."
- 4> Ship bird stamps and Forms 3238 to the Stamp Stock Destruction Committee.
- 5> Record bird stamps shipped to AIC 848. Make this entry when the certified Form 3238 is received from the destruction committee.

**Statement of Account Offices Serviced by the SDN**

Postmasters must follow these procedures:

- 1> Submit unsold bird stamps for redemption to the SDN prior to the close of AP 7.
- 2> Prepare Form 17-T in quadruplicate.
- 3> Submit copies 1, 2, and 3 with the stock; file copy 4 locally. This form is available from the SDN.
- 4> Mark Form 17-T "Bird Stock Return."
- 5> After certified Forms 17-T are received from the SDN, record bird stamps shipped to AIC 502, Bird Stock Shipped. Submit the signed original Form 17-T with the SOA to support AIC 502.

**SFAP and Contract Stations (four digit unit IDs in SFAS) Serviced by the SDN**

Stations and branches and SFAP offices must submit unsold bird stamps to the SDN prior to the close of AP 7.

Post offices must follow these procedures:

- 1> Prepare four Form 17-T copies.
- 2> Submit copies 1, 2, and 3 with the stock; file copy 4 locally. This form is available from the SDN.
- 3> Mark Form 17-T "Bird Stock Returned."
- 4> Ship bird stamps and Forms 17-T to the SDN.

- 5> After the certified Form 17-T is received from the SDN, record bird stamps shipped to AIC 848.

## 428 Maintaining Total Stamp Accountability

### 428.1 Accounting at Post Offices With Stamp Credits

- 1> Maintain total stamp accountability in the analysis section of the accountbook under inventory for postage stock and bird stamps. Form 3959 is the source for entries to the inventory section.
- 2> Report the value of the main stock on Forms 3295 on Form 3958. Maintain the value of stamp credits consigned from the main stock on the consolidated Form 1412.
- 3> Enter only transactions changing total post office accountability to Form 3959.
- 4> Make sure opening inventories are identical to the ending inventories from the previous Form 3959.
- 5> Transcribe amounts from Form 3958 onto Form 3959 as follows:
  - Line 2 to line 2.
  - Line 7 to line 5.
  - Line 8 to line 7.
  - Line 11 to line 6.
- 6> Transcribe amounts from consolidated Form 1412 onto Form 3959 as follows:
  - AICs 090, 092, 094, 095, 096, and 097 to line 11 for postage.
  - AIC 091 to line 11 for bird.
  - AIC 846 to line 8.
- 7> Compute ending inventory and post to the analysis section of the accountbook as follows:
  - Postage to AIC 805.
  - Bird to AIC 806.

### 428.2 Accounting at Post Offices With Main Stock Sales

- 1> Maintain total stamp accountability in the analysis section of the accountbook under inventory for postage stock and bird stamps. The source for entries to the inventory section is the daily stamp stock record, part 6 in the accountbook, Form 1551-D.
- 2> When you receive stock, enter the amount on the invoice to AIC 005 for postage or AIC 010 for bird stamps and to the increase column for the type of stock.
- 3> For offices under an SDO, when you receive the certified Form 3238 from the Stamp Stock Destruction Committee, enter the information to AIC 510 and the decrease column for postage or AIC 511 and the

decrease column for bird stamps. For offices under an SDN, when you receive the certified Form 17-T from the Stamp Stock Return Committee, enter the information to AIC 501 or AIC 502.

- 4>** Enter stamped envelope discount to AIC 534 and the decrease column for postage.
- 5>** Total the following AICs and enter to AIC 490 and the decrease column for postage:
  - Postage Stock Sales, AIC 090.
  - Philatelic Product Sales, AIC 092.
  - Stamps by Mail Sales, AIC 094.
  - Consignment Replenishment Sales, AIC 095.
  - Vending Equipment Sales, AIC 096.
  - Stamps By Phone Sales, AIC 097.
- 6>** Enter bird stamp sales, AIC 091, to AIC 491 and the decrease column for bird stamps.
- 7>** Enter the balances of the daily stamp stock record to AIC 805 for postage and AIC 806 for bird stamps in the analysis section of Form 1551-B.

#### 428.3 **Verifying the Ending Accountability**

##### 428.31 **Verifying at the Accountbook Level**

Verify the ending accountability for each category of stamp stock in the accountbook at the close of each AP. Verify more frequently if necessary. This is the actual value of the stock consigned from the main stock plus the balance in the main stock. Proceed as follows:

- 1>** Run an adding machine tape of the closing balances of the stamp credits as shown on Forms 1412 in the record of stamp credits; add the value of any stock shipments in transit between the main stock and stations; and add the closing balance for postage and bird stamps from Form 3958.
- 2>** Compare the above total to the combined postage (AIC 805) and bird stamp (AIC 806) ending inventories as shown on the Form 3959 and in the accountbook.
- 3>** Resolve any difference.

##### 428.32 **Verifying at the Station or Branch Level**

Verify the closing balance stamp accountability on the unit Form 1412 daily. Proceed as follows:

- 1>** Run and keep an adding machine tape of the closing balances of stamp credits as shown on Forms 1412 in the record of stamp credits. Add the closing balances for postage and bird stamps from the unit Form 3958.

- 2> Make sure the total is identical to the closing balance stamp accountability on the unit Form 1412. Resolve any difference.

#### 428.33 **Verifying at the Contractor Level**

- >> Verify the accountability of contractors at least once each postal fiscal year. This is the closing balance stamp accountability on the Form 1412.

#### 428.4 **Verifying Stamp Stock Records**

#### 428.41 **Verifying At Offices With Stamp Credits**

##### **CAG A–G**

- >> At the close of each AP and on September 30, verify the balances shown on Forms 3958 by running an adding machine tape of Forms 3295. The person responsible for the main stock will endorse the Form 3958 "Verified to Form 3295," sign, and date the endorsement.

##### **CAG H–K**

- >> Perform the verification in section 428.41 at the close of each PQ unless you make sales from the main stock.

#### 428.42 **Verifying At Offices With Main Stock Sales**

- >> At the close of each PQ, verify the balance shown in part 6, daily stamp stock record, of the accountbook by actual count of the main stock. Endorse the record "Verified by Actual Count," sign, and date the entry. See section 429.2 for adjustments when the actual count differs from the accountbook balance.

#### 428.5 **Handling Returned Stamp Stock**

#### 428.51 **Returning Stamp Stock**

Returned stock includes:

- Full packages of stamps currently on sale.
- Full packages of current stamped envelopes, postal cards, and philatelic products.

##### **Clerk**

- 1> Complete Form 17.
- 2> Enter stock returned to Form 1412.
- 3> Submit a copy of the Form 17 to support Form 1412 entry.

##### **Stamp Stock Custodian**

- 1> Consolidate the Forms 17 from the clerks on to the unit Form 17.
- 2> Send the returned stock to the SDO or SDN by registered mail.



**428.52 Accounting for Stock Returned to the SDO or SDN****SFAP Units**

- 1>** Enter stock returned to AIC 848, Returned Stock, on unit Form 1412.
- 2>** Maintain a certified copy of Form 3238 or Form 17-T locally.
- 3>** Send certified copy of Form 3238 or Form 17-T to support the unit Form 1412 entry to the DAO.

**Non-SFAP Units**

- 1>** Enter stock returned to the consolidated (unit) Form 1412 and to line 5 of Form 3959, *Daily Recap — Stamp Stock Transactions*.
- 2>** Submit a copy of the Form 17 to the accountbook unit to support entries to AIC 848.
- 3>** Enter in the accountbook the value of the returned stock to AIC 501, Postage Stock Shipped, or in 502, Bird Stamps Shipped.
- 4>** Submit original Form 17 with the statement of account.

**428.6 Handling Stamp Stock Destroyed****428.61 Stations and Branches to Non-SFAP Offices**

- 1>** Complete a separate Form 17 to submit stock that has been withdrawn from sale to the main stock.
- 2>** Enter the total of Form 17 to AIC 848, Stamp Stock Returned, on the Form 1412.

**428.62 Clerk**

- 1>** Complete a separate Form 17 to submit stock that has been withdrawn from sale to the main or unit reserve stock.
- 2>** Enter the total of Form 17 to AIC 848, Stamp Stock Returned, on the Form 1412.

**428.63 Supervisor of Stamp Stock**

- 1>** Verify and resolve any differences in stock returned from the clerks, and enter the total into the main or unit reserve stock identified as “redeemed stock.”
- 2>** Remove all redeemed stock from the main or unit reserve. With a witness, independently count the stock and enter the totals of each item on Form 3238. Insure that redemption rates are clearly marked for each item listed.

**428.64 Procedures for Contract Stations, Stations and Branches of District Offices, SFAP Offices**

- 1>** Submit stock for destruction with the completed Forms 3238 to the stamp destruction committee or the SDN by registered mail.

- 2> Keep a copy as support until you receive the certified copy from the stamp destruction committee.
- 3> Do not make any entries to the unit Form 1412 until the certified 3238 is returned from the stamp destruction committee or the SDN.
- 4> Upon receipt of certified copy, enter the certified amount destroyed into AIC 848 on the unit Form 1412.
- 5> Discard the noncertified 3238.
- 6> Keep the certified copy to support AIC 848.

#### 428.65 Procedures for Non-SFAP Offices

- 1> Upon receipt of certified Forms 3238 from the stamp destruction committee or SDN, record the destruction to AIC 510 or AIC 511.
- 2> Submit the original Form 3238 with the statement of account to the DAO.
- 3> Keep a certified copy on file to support AIC 510 or AIC 511 entry.

**Note:** Contract stations, stations and branches of Non-SFAP (statement of account) offices will continue to use Form 17 when returning stock to the main stock.

#### 428.7 Obtaining Stamp Stock for Local Mailing Tests

Conducting mail tests of local service standards using postage stamps should not be necessary. National testing to measure service standards is conducted under a contract to the Postal Service, administered by the consumer advocate, National Headquarters.

If the district manager decides that testing locally for service standards is necessary, obtain stock as instructed in 428.8.

Inspectors may obtain postage by listing their request on Forms 17 and 17-T marked "Inspection Service" and submitting it to the Postmaster or Station Manager of SFAP offices. Postal Inspectors may not obtain stock from Non-SFAS offices or contract stations. Groups and units should follow the procedures listed below:

##### Postal Inspectors

- 1> Prepare five copies of Forms 17 and 17-T.
- 2> Mark *in red ink* on Forms 17 and 17-T, "Test Letters — Inspection Service."
- 3> Submit the original and three copies of Forms 17 and 17-T to the Postmaster/Station Manager.
- 4> Count stock received, sign, and print name on Forms 17 and 17-T.

**SFAP Units**

- 1> Receive four copies of Forms 17 and 17-T from Postal Inspector.
- 2> Record the transaction to AIC 848, Stock Returned. Make this entry when the Forms 17 and 17-T is submitted to the SDO/SDN.
- 3> Submit the original and a copy of Forms 17 and 17-T to the SDO/SDN. Submit a copy to the DAO to support AIC 848.
- 4> Keep the fourth copy as support.

**SDO**

- 1> On the day Form 17 is received, the SDO records the value of each Form 17 by SFAS ID number into the stamps system as stock received from stations and branches.
- 2> Enters Form 17 in the stamp system as test letters Inspection Service.
- 3> Generates Form 3238, *Stamps and Stamped Paper Destruction Certificate*. Marks Form 3238 *in red ink* "Test Letters — Inspection Service," and signs.
- 4> Attaches original Form 3238 to original Form 17 and submits them to the DAO along with Form 3958, *Main Stock (or Unit Reserve Stock) Transaction Record*.
- 5> Submits a copy of Forms 3238 and 17 to the Local Inspector in Charge.
- 6> Keeps a copy of Forms 3238 and 17.

**SDN**

- 1> Records Form 17-T to AIC 005, Postage Stock Received.
- 2> Enters Form 17-T in the stamps system as an inventory modification, stock destroyed.
- 3> Generates Form 3238. Marks Form 3238 *in red ink* "Test Letters — Inspection Service," and signs.
- 4> Submits original Form 17 Summary to the DAO.
- 5> Records destruction on AIC 510, Postage Stock Destroyed.
- 6> Submits a copy of Forms 3238 and 17-T to the Local Inspector in Charge.
- 7> Keeps a copy of Forms 3238 and 17-T.
- 8> Attaches original Forms 3238 and 17-T to SOA and submits them to MNASC.

**DAO Served by SDO**

- 1> Verifies the amount on Form 3238 to ensure that it matches the amount on Form 3958.
- 2> Reconciles all AIC 848 discrepancies from the In-transit Program.

- 3> Enters the amount of stock destroyed as shown on Form 3238 (submitted by the SDO) into the SFAS accountable paper screen.
- 4> Submits the original Forms 3238 and 17 reported in AIC 510 to MNASC with the SOA.
- 5> Keeps a copy of Forms 3238 and 17 to support the entry on AIC 510.

#### **DAO Served by SDN**

- 1> Reconciles all AIC 848 discrepancies from the In-transit Program.
- 2> Enters amount of stock returned as shown on the station summary report into the SFAS accountable paper screen as stock returned.
- 3> Submits Form 17 summary of stock returned reported in AIC 501, Postage Stock Shipped, to MNASC with the district statement of account.
- 4> Keeps a certified copy of Form 17 summary to support the entry to AIC 501.
- 5> Resolves any discrepancies between the amounts listed on the Form 17 summary to the amounts listed in AIC 848 on Form 1412, *Daily Financial Report*.

### 428.8 **Obtaining Stock for Promotions or Presentations**

- >> Use a funded Form 7381, *Requisition for Supplies, Service or Equipment*, to obtain stock either locally or through Stamp Fulfillment Services.

### 428.81 **Obtaining Stock Locally**

#### **Postmaster**

- >> Submit a completed Form 7381 to the window clerk servicing the same finance number shown on Form 7381.

#### **Window Clerk**

- 1> Fulfill items as requested.
- 2> Keep Form 7381.
- 3> Record the transaction on Form 1412, *Daily Financial Report*.
- 4> Enter the amount in AIC 596, Miscellaneous Advertising Expense, with an offsetting entry to AIC 090, Postage Stock Sales, or AIC 092, Philatelic Product Sales.

## 428.82 Obtaining Stock From Stamp Fulfillment Services

### Postmaster

- 1> Complete the order form found in the *Stamps etc.* catalog. Stock that is not available locally may be available through Stamp Fulfillment Services.
- 2> Complete Form 7381.
- 3> Include postage and handling on Form 7381 as described in the *Stamps etc.* catalog.
- 4> Attach the completed Form 7381 to the order form in lieu of payment.
- 5> Mail both forms to:  
 STAMP FULFILLMENT SERVICES  
 8300 NE UNDERGROUND DR PILLAR 210  
 KANSAS CITY MO 64144-9998

### Stamp Fulfillment Services

- >> Fulfill and mail the stock to the delivery address shown on the Form 7381.

## 428.9 Handling Additional *Stamps etc.* Catalogs

### Stamp Fulfillment Services

- 1> Enter the amount shown on the order form, supported with Form 7381, to AIC 596, Advertising and Sales Promotion, with offsetting entries to AIC 090 Postage Stock Sales, or AIC 092, Philatelic Product Sales, and AIC 114, Postage Due Invoices, for the shipping and handling charges.
- 2> Access the journal voucher transfer system through the *Financial Accounting Control Tracking System* (FACTS).
- 3> Enter account number 52325 and the finance number indicated on Form 7381. The account number shows as a transaction to Line 34, services, on the postmaster's Postal Service Financial Report (PSFR).

**Note:** MNASC no longer accepts Form 3238 for promotions and presentations.

## 429 Conducting Examinations

### 429.1 Examining a Stamp Credit

Examining stamp accountabilities is an integral part of the overall internal control system over Postal Service assets.

Examining bargaining unit stamp credits is covered by Article 28, Employer Claims, Section 1E of the Agreement between the Postal Service and the employee organizations.

Stamp credits maintained by bargaining unit employees must be examined by supervisory personnel at least once every 4 months.

#### **Postmaster**

- >> Ensure that examinations of bargaining unit employee stamp credits are conducted as described above. In offices that do not have supervisors, personally examine stamp credits.

#### **Supervisory Personnel**

- >> Conduct examinations of stamp credits at stations, branches, and main office window units.

#### **Inspection Service**

- >> Count stamp credits as part of audits and investigations conducted by the Inspection Service.

### 429.11 **Scheduling Examinations**

- 1> Do not announce stamp credit examinations.
- 2> Stagger the dates for examinations so that a pattern will not be evident to the employees to be counted.
- 3> Count stamp credits, to the extent practicable, at the beginning of the clerk's tour of duty or at least before the clerk has made any transactions.
- 4> Limit examination of stamp credits generally to one per day per available supervisor.
- 5> If possible, conduct examinations on days when business is light and most of the workforce is present.

**Note:** For clerks with multiple credit, count all credits at the same time to the maximum extent possible.

### 429.12 **Forms to Be Used**

Form 3294, *Cash and Stamp Credit Count and Summary*, is a four-page form designed to contain a complete record of the examination of a stamp credit. One copy must be completed by the supervisor and one by the employee or the employee's representative. The postmaster must file the form centrally and keep it for 2 years.

Form 3368, *Stamp Credit Examination Record*, is designed to contain the history of stamp credit examinations for use in scheduling examinations; for reporting overages and shortages; and as a source of information when necessary for Form 571, *Discrepancy of \$100 or more in Financial Responsibility*. Form 3368 is to be kept for 3 years after the last entry.

**429.13 Preparing the Count****Recording Stamp Credits**

- 1>** Before you examine a stamp credit, verify the maximum authorized stock or cash level from Form 3369.
- 2>** Record the closing balance of the stamp accountability section as reported on the last Form 1412 submitted to line 22, column II of Form 3294.

**Recording Serial Numbering of Accountable Receipt Forms**

- 1>** From the office file of the last Form 1412 submitted by the employee, record the last numbered receipt issued for accountable Forms 1538, 3603, 3544, and 3602-PO from the receipt controls section to page 4 of Form 3294.
- 2>** Determine the serial numbers of accountable receipt books and money orders issued to the employee from the station records.

**Determining the Frequency of Requisitions**

- 1>** Determine the frequency of stamp requisitions by looking at the dates of Forms 17 kept by the person maintaining the unit Form 1412.
- 2>** Requisition on a weekly schedule where adequate protective storage is available.

**Selecting the Site**

- >>** For the count of an employee credit, select a site away from the window operation, preferably in a quiet area. There should be adequate space for both the supervisor and the employee to count.

**429.14 Doing the Physical Count****Making Independent Counts**

- >>** The supervisor must enter the count to one Form 3294, and the employee must enter an independent count to a separate Form 3294. Both must verify count item by item and resolve discrepancies after each stamp credit container assigned the employee has been counted. After each stamp credit container count, make the appropriate entries to the inventory of stamp credit containers section on page 4 of the Form 3294.

**Inspecting Accountable Forms**

- >>** Inspect accountable receipt forms for continuity of use. Inspect blank domestic and international money orders to ensure that they are being sold in sequence.

### Counting the Cash Portion

Before transacting business, do the following:

- 1> Count each denomination of cash and enter the number in the quantity column. Multiply the quantities by the denominations and enter the result in the amount column. Total the amount column and enter the result to line 26, total cash.
- 2> See that there are no cash items such as checks or cash money orders. Enter the amount on line 26 to line 33 and line 1, column II.
- 3> See that there are no paid-out items such as refunds or invoice payments. Enter the amount on line 1, column II, to line 6, column II.
- 4> See that there are no receipts such as travel or salary advances representing accountability items transacted for cash. Enter the amount on line 6, column II, to line 17, column II.
- 5> This amount represents the cash portion of the employee stamp credit. Be sure that it does not exceed the amount entered to the employee's Form 3369, as "maximum authorized cash portion."

After transacting business, do the following:

- 1> Enter the total amount of government checks to line 28, paid money orders to line 29, traveler's checks to line 30, and credit/debit/PPC card receipts to line 31.
- 2> Total lines 27 to 32 and enter the result to line 33 and also to line 1, column II.
- 3> Enter any cash paid out shown by receipts in lines 2 through 5, column I. Total them and enter the result to line 5, column II. Add lines 1 and 5, column II. Enter the result in line 6, column II.
- 4> Enter the amounts represented by accountability items other than stamp stock to lines 7 through 16, column I. Total them and enter the result to line 16, column II. Subtract line 16, column II from line 6, and enter the result in line 17, column II. This amount may exceed the maximum authorized cash portion of the employee's stamp credit as a result of stamp sales.

**Note:** At times it will be impractical to examine stamp credits before the employee transacts business. This may result in finding items other than cash in the credit.

### 429.15 Examining Stamp Stock

#### Salable Stock

- 1> Check for neatness of stock, in particular for excessive broken panes, and stock excessive to the needs of the credit.
- 2> Count each item of stock and enter the number in the appropriate block on pages 2 and 3 of Form 3294.
- 3> Multiply the total number of each item by its face value.



**Nonsalable Stock**

- >>** Count and multiply redeemed stock consisting of postal cards, stamped envelopes, aerogrammes, and U.S.-issued international reply coupons by the applicable redemption rate. Enter the result to the appropriate block by type and total the amounts.

**Stamp Stock as Counted**

- 1>** Total all blocks on pages 2 and 3 of Form 3294 and enter the result to line 18, column I.
- 2>** Enter the total of any Forms 3220 to line 19, column I.
- 3>** Enter a Form 17, *Return*, showing stock in transit from employee to the unit reserve or main stock to line 20, column I. At the time of the count, or immediately following, verify the validity of this Form 17 with the source of stock.
- 4>** Total lines 18 through 20, column I, and enter to line 20, column II.

**Total Stamp Stock**

Add lines 17 and 20, column II, and enter the result to line 21, column II.

429.16 **Reconciling Stamp Credit****Calculating the Difference**

- 1>** Subtract line 22 from line 21, column II and enter the result to line 23, column II.
- 2>** A negative amount is a shortage and a positive amount is an overage. Check the appropriate block.

**Establishing the Tolerance**

Tolerances are entered to Line 24 and established as follows:

<b>Amount of Stamp Stock</b>	<b>Tolerance</b>
Up to \$30,000.00	\$50.00
\$30,000.01 to \$60,000.00	\$100.00
Above \$60,000.00	\$150.00

The tolerance is applied to the main stock (AIC 805) at offices not required to maintain Forms 3295 and to individual employee stamp credits. The tolerance is based on the credit amount entered on the employee's Form 3369 or the highest balance in AIC 853 of the Form 1412 since the previous examination, whichever is higher.

At offices required to use Forms 3295, tolerance is not applied to the main or unit reserve stock when the main or unit reserve stock is transferred or when a stamp credit is canceled.

- >>** Compare the amount in line 18, column II, with the tolerance amount established for the size of the stamp credit.

**Note:** Inform all employees in writing in advance of any money demand for any reason as required by section 142.

If...	Then...
The difference amount does not exceed tolerance,	The examination is complete. Do not recount a stamp credit. Note on Form 3368 and carry forward without further action.
The difference amount exceeds tolerance and the parties involved cannot agree to the count,	Recount the credit at the request of the employee. After you have established the amount of the overage or shortage, bring the stamp accountability into balance as described below.

### Handling Overages

- 1>** For an overage amount exceeding tolerance, enter the amount on the employee's Form 1412 to AIC 057, Employee Overage, in the trust funds received section.
- 2>** Complete Form 3544 showing the employee name, count date, amount, and circumstances of the overage.
- 3>** Give the original to the employee, furnish the duplicate as support for Form 1412, and give the triplicate to the person maintaining the employee trust account.
- 4>** If the overage is related to a shortage in another accountability of the same employee or to a current shortage in another employee's accountability, withdraw funds from trust to clear related shortages. Managers should exercise judgment when determining the existence of a relationship that may warrant offsetting overages.
- 5>** Hold an overage in an employee's accountability that is related to the loss of a money order voucher in trust until notification of amount on Form 6401, *Money Order Inquiry*, if you receive this notification before you submit the statement of account. If you receive notice on Form 6401 afterward, hold the overage in trust until receipt of a statement of difference.
- 6>** At the expiration of 1 year from the count date, enter the amount of the overage or any portion remaining after offsetting related shortages in AIC 123, Lobby Services Revenue.

### Handling Shortages

- 1>** For shortage amounts exceeding tolerance, record in AIC 767, Stamp Credit Shortage Issued, on employee's Form 1412.

- 2> If the shortage is related to an overage in another accountability of the same employee or to a current overage in another employee's accountability, require the employee to replace the missing amount.
- 3> When there is a balance for that employee from a previous overage within 1 year and a relationship is established, use this balance to offset part or all of the shortage.
- 4> If no relationship is established, follow collection procedures in Article 28, section 4, of the National Agreement (see section 361). Managers should exercise judgment when determining the existence of a relationship that may warrant offsetting shortages.
- 5> Upon collection of funds, enter the amount collected in AIC 751, Cash Remitted (Advance) on Form 1412 and offset with AIC 367, Stamp Credit Shortage Cleared.

### Offsetting Differences

- >> The postmaster or designee must decide whether to adjust shortages and overages found in the audit of stamp credits and other cash accountability. If a postmaster believes that an overage in one employee's credit should be offset against a shortage in another employee's credit because a relationship between the differences exists, secure the written agreement of the employee from whom the overage is to be withdrawn.

### Differences of \$100 or More

- >> Prepare a Form 571, *Discrepancy of \$100 or More in Financial Responsibility*, at the time of the examination, if applicable (see *Administrative Support Manual* (ASM) Exhibit 225). When you initiate Form 571, indicate on line 19 of Form 3294.

## 429.17 Completing the Examination

- >> The supervisor and the employee must sign both copies of the Form 3294.

## 429.18 Doing the Post Examination

- >> After completing the examination of an employee's stamp credit, enter the results to Form 3368. Enter the last date for completion of the next examination as required by the National Agreement to the appropriate column.

## 429.2 Examining a Main or Unit Reserve Stock

### Main Stock

The main stock of a post office is all undistributed stamps, stamped paper, and philatelic products under the direct control of a postmaster or designated custodian. The value of the main stock is shown on the daily stamp stock record (part VIII, accountbook) or the *Main Stock Transaction Record* (Form 3958).

**Unit Reserve**

The unit reserve stock of a station, branch or main office window unit is all undistributed stamps, stamped paper, and philatelic products under the control of the manager or designated custodian. The value of the unit reserve stock is shown on the *Unit Reserve Stock Transaction Record* (Form 3958).

429.21 **Accountability****Main Stock**

Postmasters are accountable for the full face value of all stamp stock that has been consigned to their offices. Employees and contractors to whom stamp stock is further consigned are accountable to the postmaster.

**Unit Reserve**

Managers of stations, branches, and main office window units are accountable for the full face value of all stamp stock consigned to them by the postmaster. Employees to whom stamp stock is further consigned are accountable to the manager.

429.22 **Managing the Stock**

Postmasters and managers are responsible for the efficient management of main or unit reserve stock. They should do the following:

- 1> Ensure that the quantity of each item of stock is not excessive compared to the issuance of that item of stock.
- 2> Establish a schedule for filling requisitions that conforms with the instructions in sections 422.2 and 422.3.
- 3> Ensure that entries to Forms 3295 and Forms 17 comply with the schedule.
- 4> Maintain adequate security as outlined in sections 421 and 422.1.

429.23 **Doing the Physical Count****Counting at Post Offices With Sales From the Main Stock**

The examination of the main stock at a post office where postage sales are made directly from the main stock is the same as a stamp credit examination (section 429.1), with these exceptions.

- 1> Take the entry to line 17, column I, from AIC 805 plus 806 in the accountbook for the previous business day.
- 2> Verify the entry in line 13, column I, to the balance in part 6 of the accountbook.

**Counting at Post Offices With Stamp Credits**

There are no sales authorized from the main or unit reserve stock. Therefore, the main or unit reserve stock may not contain any cash and is not authorized

a tolerance. Make the following entries after the physical count has been completed.

- 1>** Enter the total of stamp stock from pages 2 and 3 of Form 3294 to page 4 under summary of main or unit reserve stock accountability. Indicate whether Forms 3295 are correct or have been corrected.
- 2>** Enter the total of postage and bird stamps from the most recent Form 3958.
- 3>** Determine the difference, whether over or short, and the action taken.

#### 429.24 Handling Overages and Shortages

##### Handling Stamp Stock Records

Initiate a Form 3958 as follows:

- 1>** Enter the opening balance from the ending balance of the previous Form 3958.
- 2>** Enter a shortage (line 12) or overage (line 13).
- 3>** Enter the correct closing balance.

##### Unit Reserve Stock

If...	Then...
There is an overage,	Reduce AIC 090, Postage Sales, or AIC 091, Bird Stamp Sales, and increase Trust (Employee), AIC 080 (or AIC 057 at the Form 1412 level).
There is a shortage,	Increase AIC 090 or 091 and Suspense (Employee), AIC 814 (or AIC 767 at the Form 1412 level).

##### Main Stock at an Office With Stamp Credits

Use Form 3959 to maintain total post office accountability. Prepare a Form 3959 each business day. It is the source of stamp transaction entries to the accountbook.

If...	Then...
There is an overage,	Report an overage in the main stock on Form 3958 as a write-in entry to line 3, main stock overage.  Decrease the appropriate sales amount on line 11 of Form 3959.  Take the entries to the accountbook for AIC 090 and 091 from the entries to sales on Form 3959. Take the entry to AIC 080 from the master control Form 25.

If...	Then...
There is a shortage,	<p>Report a shortage in the main stock on Form 3958 as a write-in entry to line 12, main stock shortage.</p> <p>Increase the appropriate sales amount in line 11 of Form 3959 and increase the suspense Form 25 for employee shortages.</p> <p>Take the entries to the accountbook for AIC 090 and 091 from the sales entries on Form 3959. Take the entry to AIC 814, Suspense, from the master suspense Form 25.</p>

### Post Office With Sales From the Main Stock

Maintain total post office accountability in the daily stamp stock record (part VIII) of the accountbook. Part VIII is the source of stamp transaction entries to part VI of the accountbook.

If...	Then...
There is an overage,	<p>Report an overage in the main stock in the trust fund accounts (Form 25). Enter the same amount to AIC 080 when the accountbook is posted. The effect of the trust entry is to decrease reported postage or bird stamp sales. This will adjust stamp accountability on the daily stamp stock record to agree with the amount in the main stock.</p>
There is a shortage,	<p>Report a shortage in the main stock in the suspense ledger (Form 25). Enter the same amount to AIC 814, Suspense, when the accountbook is posted. The effect of the suspense entry is to increase reported postage or bird stamp sales which will adjust stamp accountability in the daily stamp stock record to agree with the amount in the main stock.</p>

### 429.3 Examining Contract Postal Units

- 1> Verify the accountability of contractors at least once each postal fiscal year.
- 2> If the inventory discloses a discrepancy, recheck the credit.
- 3> The contractor must replace shortages with personal funds (preferably a check).
- 4> Unless a specific complaint from a customer has been documented at the post office, overages belong to the contractor.

### 429.4 Examining Stamp Vending Equipment

Use Form 3293, *Retail Vending Credit Examination*, for counts.

If...	Then...
An overage exists,	Record the amount as a write-in entry to AIC 175, Postage Vending Machine Overage, on the vending Form 1412. This will bring the vending back into balance and no further adjustment is necessary.
A shortage less than \$100.00 exists,	Record the amount as a write-in entry to AIC 621, Postage Vending Machine Shortage, Less Than \$100.00, on the vending Form 1412. This will bring the vending back into balance and no further adjustment is necessary.
The shortage is \$100.00 or more,	Record the amount as a write-in entry to AIC 612, Postage Vending Machine Shortage, \$100.00 or More, on the vending Form 1412. This will bring the vending back into balance and no further adjustment is necessary. The supervisor will submit, to the Inspection Service, Form 571, <i>Discrepancy of \$100.00 or More in Financial Responsibility</i> . The servicing person must submit acceptable documentation supporting the loss to the postmaster. The documentation must include all necessary forms, copies, and statements pertaining to the shortage.

## 43 Managing Accountable Paper at a Stamp Distribution Office

This section describes the policies and procedures used by SDOs in managing accountable paper.

**Note:** SDNs are discussed in section 44.

### 431 Responsibilities

#### District Customer Service Support Manager

The district Customer Service Support manager is responsible for managing SDOs within the district. He or she ensures that each SDO:

- follows established procedures.
- is properly staffed.
- has a safe, secure work environment.
- conducts a physical inventory when custody of the SDO is transferred between individuals.

**SDO Supervisor**

The SDO supervisor is responsible for

- ordering and receiving stamp stock.
- reporting stamp stock transactions on the date they occur.
- ensuring that all accountable paper is properly secured.
- maintaining sufficient stock to meet customer demand.

432 **Transfer of Accountability**

The SDO supervisor is accountable for all accountable paper in the SDO. The supervisor should count all stamp stock when a replacement or backup custodian is assigned during a temporary absence when access to the main stock is necessary. Form 3294, *Cash and Stamp Credit Count and Summary*, serves as a record of the transfer.

433 **Requisitioning Stamp Stock**

SDOs requisition stamp stock in bulk from the following sources:

- Bureau of Engraving and Printing (BEP).
- Government Printing Office (GPO).
- Stamp Fulfillment Services.

Procedures for ordering and receiving stamp stock from these supply sources are explained in section 423.

434 **Filling Requisitions**434.1 **Scheduling Requisitions — SDO Supervisor**

- >> Establish a requisitioning schedule for each post office and each SFAP reporting unit within the service area. Except for emergency orders, follow the schedule to ensure an orderly flow of accountable papers.

434.2 **Separating the Duties for the Stamp Distribution Clerks — SDO Supervisor**

- >> Ensure that assigned stamp distribution clerks do not have separate stamp credits of any type.

434.3 **Separating the Requisitions**

- >> Separate non-SFAP units by finance number.
- >> Separate SFAP reporting units by their unique four-digit SFAS ID number.

**Note:** This separation facilitates processing requisitions in batches, which you must do to ensure that requisitions are entered correctly into the STAMPS system.



**434.31    Sorting Requisitions — Stamp Distribution Clerks**

- 1>**    Separate each batch of requisitions by type of stock (postage, bird).
- 2>**    Place improperly prepared requisitions aside for review by the SDO supervisor.

**434.32    Batch Review — SDO Supervisor**

- 1>**    Ensures that each batch is properly sorted.
- 2>**    Ensures that each improperly prepared requisition is corrected.

**434.33    Developing the Daily Source File — SDO Supervisor**

- 1>**    Develop the daily source file by entering each requisition into the STAMPS system before withdrawing stamps from the vault. These procedures are outlined in the STAMPS System User Guide.
- 2>**    Adjust individual items to comply with minimum and maximum constraints.
- 3>**    Annotate the requisition to reflect any change and/or correction.
- 4>**    Generate the necessary shipping and accountability documents.

**434.34    Withdraw Stamp Stock From the Main Stock — SDO Supervisor**

- 1>**    Open the vault and/or envelope storage area.
- 2>**    Withdraw the quantities listing on the picking list.
- 3>**    Return stock items, along with the picking list, to the person shipping the stock.

**434.35    Ship Stamp Stock — Stamp Distribution Clerk**

- 1>**    Verify the stock received to the picking list.
- 2>**    Separate items according to the stamp stock shipment report.
- 3>**    Sign the “shipped line,” along with a witness, on the lines provided on the reports.
- 4>**    Seal and dispatch each container with a witness. (Dispatch individual containers valued at more than \$500.00 via registered mail.)

**Note:** Do not seal and ship stock until you have filled all requisitions in each batch and made a final verification that the individual orders equal the total amount withdrawn from the main stock.

**434.36    Processing a Daily Report — SDO Supervisor**

On the day shipments are made, or stock is received, do the following:

- 1>**    Sign the automated Form 3958-X, *Main Stamp Stock Daily Recap*.
- 2>**    Submit the Form 3958, summary reports, receipt documents, and any Form 3309 to the DAO.

- 3> File the picking list and copies of the shipment reports with the original Form 17.

## 435 Handling Automatic Stamp Stock Shipments

### 435.1 Receiving Automatic Stamp Stock

Stamp suppliers ship predetermined quantities of commemorative stamps, special-issue stamps, and Christmas stamps to each SDO. They send each shipment without an order form. The SDO will receive an advice of shipment with these stamps.

- 1> Pick up the amount as stated on the advice of shipment. Account for differences separately. Refer to sections 423.7–423.9.
- 2> If you do not receive an advice of shipment, prepare a Form 13, *Routing Slip*, containing the following:
  - The item number.
  - The date received.
  - The quantity received.
  - The unit value.
  - The total value.
  - The registry number.
  - Your signature.
- 3> Submit the advice of shipment notice or Form 13 to the DAO on the date you receive the stock. It serves as a supporting document.

**Note:** Research missing advice of shipment notices.

### 435.2 Shipping Automatic Stamp Stock

#### 435.21 Handling Automated Shipment Listings

The ASC prepares a computer-generated listing for each SDO service area for commemorative or special issue stamps announced in the *Postal Bulletin*. This list, prepared in triplicate, itemizes the quantity and value of stock that each SDO will ship to each listed post office.

- >> Use a copy of this list to withdraw stock from the main stock following the basic procedures outlined in section 434.34. Do not, ship commemorative and special-issue stamps before the date shown on Form 3309 for each item.

**Exception:** You may withdraw and package stock at any time after you receive the ASC listing and invoices. Hold prepared shipments in a secure area until the shipping date.

#### 435.22 Changing the Automated Listing

- 1> Do not change any quantity listed for a post office without written approval from the accounting service center (ASC). If a listed post

office is discontinued, note this information and draw a single line through the post office listing. Be sure to change the listing totals.

- 2>** As demand changes, individual post offices or SFAP reporting units may submit requests to you for a permanent change in quantity. Prepare a memorandum for such changes to the following address:

POSTAL ACCOUNTING SECTION  
FINANCE BRANCH  
MINNEAPOLIS ACCOUNTING SERVICE CENTER  
1 FEDERAL DR  
FT SNELLING MN 55111-9613

Each request must include the following:

- The affected finance number.
- Your present quantity.
- The new quantity.
- The name of the servicing SDO.
- The signature of the postmaster.

## 436 Handling Discrepancies in Stock Received

### 436.1 Reporting Shortages

- 1>** Report shortages in stock received (sealed packages only) on Form 8144, *Stamp Discrepancy Report*. Complete Form 8144 in triplicate. Submit the duplicate copy of Form 8144 to the DAO, keep the triplicate copy, and mail the original to the following address:

ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

- 2>** Use Form 8144 only to report shortages in stock received (sealed packages only) from the following sources:
- Bureau of Engraving and Printing.
  - Government Printing Office.
  - Private sector stamp production contractors.
  - Stamp product contractors.
  - Stamped envelope contractor.
  - Transfers between SDOs, APDs, SDNs, and other post offices.

**Note:** SDOs also complete Forms 8144 individually for SFAP units that report a shortage. SFAP units report stock received shortages on Form 17.

### 436.11 Accounting for Stock Received Shortages

- >>** Enter the dollar value stated on the advice of shipment into the stamps system. Do not adjust this figure by the amount of the shortage.

Instead, report the shortage in the stamps system as a shortage and submit the duplicate copy of Form 8144 to the DAO. The DAO will consolidate all Forms 8144 for each SDO and each SFAP unit and submit one Form 2130, *Claim for Loss*, at the end of each AP.

**Note:** Submit the duplicate copy of Form 8144 to the DAO on the date you enter the shortage to the stamps system.

#### 436.12 **Dealing With Excessive Shortages**

Notify stamp acquisition, quality assurance at 202-268-6549 immediately if a shortage is excessive. A shortage is excessive if it exceeds one of the following:

- Booklets — a full unit of 25 or more.
- Panes — a single deck or pad of 100 or more.
- Postal cards — 1 or more full packages of 250.
- Stamped envelopes — 1 or more cartons of 500.
- Aerogrammes — 1 or more cartons of 500.
- Stamp packets (vending) — 1 or more packages of 25.
- Stamp products (packets, folders, books, or albums) — 15 or more.
- International reply coupons (IRCs) — 100 or more.
- Coil of 100 stamps — 6 or more coils.  
Coil of 500 stamps — 1 or more coils.  
Coil of 3,000 stamps — 1 or more coils.  
Coil of 5,000 stamps — 1 or more coils.  
Coil of 10,000 stamps — 1 or more coils.

#### 436.2 **Reporting Overages**

>> Report overages in stock received on Form 8144. Complete Form 8144 in triplicate. Keep the duplicate and triplicate copies of Form 8144 and mail the original to the following address:

ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

#### 436.3 **Handling Defective Stock**

Defective stock is stock that contains obvious printing and production errors such as the following:

- Missing color.
- Upside-down printing.
- Bad color registration.
- No perforations.
- Perforated stamp design.
- Missing printing.

**436.31 Reporting Requirements**

- 1>** Report defective stock received on Form 8144. Complete Form 8144 in quadruplicate.
- 2>** Send the defective stock with the original Form 8144 registered mail to the following address:  
ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436
- 3>** Submit the duplicate copy of Form 8144 to the DAO on the day the defective stock is entered into the STAMPS system as a shortage.
- 4>** Send the triplicate copy of Form 8144 to the following address:  
INTERNAL AFFAIRS DIVISION  
INSPECTION SERVICE  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2112
- 5>** Keep the fourth copy for your records.

**436.32 Accounting for Defective Stock**

- >>** Account for defective stock in the same manner as a stock received shortage as explained in section 423.9.

**Note:** Account for defective stock discovered only in the SDO main stock or reported to you on a Form 17 by an SFAP unit.

**437 Handling Accountable Paper Returns****437.1 Receiving Salable Stock**

Offices within the SDO service area may return salable stock for redistribution. The SDO supervisor, however, must first give permission to the office wanting to return salable stock. Stamp stock returned to the SDO without first obtaining this permission may be sent back.

When salable stock is received, the SDO supervisor should do the following:

- 1>** Verify, sign, and date the original and duplicate Form 17 from the office returning salable stock.
- 2>** Return the duplicate to the reporting unit.
- 3>** Keep the original on file.

**Note:** If all or part of salable stock is returned to a non-SFAP post office, the SDO must enter the total value of the salable stock into the STAMPS system as stock received. The value of the stock returned to the reporting unit is reported as "stock shipped" to a station/branch or other office. If

this is not done, the ASC issues a statement of difference, which causes unnecessary administrative cost.

#### 437.2 **Receiving Migratory Bird Stamps**

The USPS distributes a migratory bird hunting and conservation stamp. The Postal Service refers to these stamps as bird stamps.

#### 437.21 **Selling Period and Quantities to Order**

The selling period for bird stamps at postal retail units nationwide begins on July 1 and normally lasts until March 1 of the following year.

- >> Review prior year usage and be sure to have an adequate supply of bird stamps on hand to fill requisitions during ordering periods. Offices within the service area are required to order a one-year supply of bird stamps each year from the SDO.

#### 437.22 **Disposing of Unsold Bird Stamps**

Postal retail units must withdraw bird stamps for sale by the end of AP 6 of each FY. The SDO supervisor is responsible for issuing a notice to each.

##### **Non-SFAP Post Offices**

- >> Instruct postal retail units to recall bird stamps internally and place them in the main stamp stock. The notice must include a time period for the post office to return bird stamps to the destruction committee for destruction, using Form 17.

##### **SFAP Units**

- >> Instruct postal retail units to recall bird stamps internally and place them in the unit reserve stamp stock. The notice must include a time period for the unit to return bird stamps to the Stamp Destruction Committee. Use Form 3238.

##### **Consignee of Bird Stamps**

- >> Instruct postal retail units to return unsold birds stamps to the SDO or, if appropriate, to the postal retail unit that created the consignment.

**Note:** You must process unsold bird stamps for return, except those retained in philatelic units, before the close of AP 8 of each FY.

#### 437.23 **Accounting for Unsold Bird Stamps**

The SDO must do the following:

- 1> Record bird stamps returned from stations and branches and SFAP offices.
- 2> Submit the bird stamps and supporting documentation to the stamp stock destruction committee.

Upon receiving Form 3238 from the committee, the SDO must do the following:

- 1> Record the destruction to birds stamps on Form 3958.
- 2> Submit the signed original Form 3238 with Form 3958 to the DAO.

### 437.3 **Receiving International Reply Coupons**

#### 437.31 **Defining an IRC**

An international reply coupon (IRC) is a coupon sold by the Postal Service (U.S.-issued) and member countries (foreign-issued) of the Universal Postal Union (UPU). The purchaser of an IRC generally sends the IRC with a letter to a person in a foreign country, who in turn can “exchange” the IRC for postage in replying to the letter sent to him or her.

#### 437.32 **Defining a U.S.-Issued Refunded IRC**

A U.S.-issued refunded IRC is a coupon that is sold in the United States; the purchaser brings the IRC to a U.S. post office for a refund. The refund amount is the purchase price less \$0.01. (These IRCs are not sent to the stamp destruction committee.)

#### 437.33 **Defining an Exchanged IRC**

An exchanged IRC is a coupon that is sold in a foreign country and exchanged at a U.S. post office for postage. See IMM, Part 392, for the current exchange rate.

**Note:** Foreign-issued IRCs dated before January 1, 1975, are not exchangeable in a U.S. post offices.

#### 437.34 **Accounting for Returned IRCs at the SDO**

The DAO sends exchanged foreign-issued and U.S.-issued refunded IRCs accepted in U.S. post offices through December 31 of each year to the ASC at the end of AP 6. The SDO supervisor must do the following:

- 1> Issue a notice, before the close of AP 4, to each SFAP unit with instructions to internally recall all exchanged foreign-issued and U.S.-issued refunded IRCs into the unit reserve stamp stock. The notice must include batching instructions (Form 17 is required for exchanged foreign-issued and U.S.-issued refunded IRCs, sorted by denominations) and a time period for unit reserve custodian to return the IRCs to the SDO.
- 2> Enter returned IRCs, exchanged foreign-issued and U.S.-issued refunded, into the STAMPS system.
- 3> Batch exchanged foreign-issued and U.S.-issued refunded IRCs separately for submission to the DAO by AP 6.

#### 437.4 **Destroying Stamp Stock**

The SDO reports stamp stock destroyed as follows:

##### **Stock Destroyed From the SDO**

- 1>** Prepare Form 3238 in the STAMPS system the day the stamp destruction committee destroys stamp stock.
- 2>** Submit the original Form 3238, signed by the stamp destruction committee members, along with Form 3958 to the DAO.

##### **Stock Destroyed From SFAP Units**

- 1>** On the day the stock is destroyed, the stamp destruction committee routes the original and copy of Forms 3238 to the SDO and a copy to the SFAP unit.
- 2>** On that day, the SDO records the value of each Form 3238, by SFAS ID number, into the STAMPS system as "stock received from stations/branches" and as "stock destroyed." This action has a zero effect on the SDO stamp stock accountability.
- 3>** Run a tape of all Forms 3238 and match the total with the total on Form 3958.
- 4>** Submit the original Form 3238 and copy with Form 3958 to the district accounting office.

##### **Stock Destroyed From Non-SFAP offices**

The SDO does not handle stock destroyed for non-SFAP offices.

#### 438 **Handling Money Orders**

##### 438.1 **Receiving Domestic Money Order Sets**

The area supply center automatically sends domestic money order sets to each SDO. Shipments are in multiples of 70,000 form sets.

The SDO is responsible for supplying money order sets, domestic and international, to offices within its service area.

**Exception:** If more than a 6-month supply is on hand, the SDO may request the area supply center to defer an automatic shipment.

##### 438.2 **Storing Blank Money Order Sets**

- >>** Store money order sets in a secure area or vault that is locked and under control of the SDO supervisor.



**438.3 Distributing Money Order Sets**

**>>** Distribute money order sets with stamp stock shipments. Do not split a package of 100 money order sets between post offices or SFAP units.

**Exception:** Issue international money orders in a minimum of five form sets.

**438.4 Handling Bait Money Orders**

Bait money orders are issued to retail units and assigned internally in various dollar amounts and dates and placed in unlocked containers after business hours. Because bait money orders are assigned unique serial numbers, cashed bait money orders provide investigative leads when a robbery or burglary occurs.

**Note:** Bait money orders are not printed in sets. There is no customer receipt or voucher.

**438.41 Distributing Bait Money Orders**

The SDO supervisor is responsible for sending enough bait money orders to each post office and SFAP reporting unit. To avoid confusion, take the following steps:

**1>** Store bait money orders separately from regular money order sets.

**2>** Do not ship bait money orders along with regular money orders.

**438.42 Bait Money Order Program Instructions**

For specific instructions for this program, such as how to report lost, stolen, or damaged bait money orders, see Management Instruction AS-220-95-3.

**439 Recording Penalty Mail Stamps**

Record penalty mail stamps (PMS) in accountability in the same manner as postage stamps. See Handbook DM 103, *Penalty Mail*, and Publication 350, *How To Order and Use Penalty Mail Stamps and Stamped Paper*, for further information.

## 44 Managing Accountable Paper at a Stamp Distribution Network

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The SDN is designed to serve all the accountable paper needs of a post office, station, branch, or contract unit from a single location. This eliminates requisitions from various suppliers, such as the Bureau of Engraving and Printing, the Government Printing Office, and the Stamped Envelope Agency.

The SDN is responsible for accepting all returned accountable paper and destroying redeemed stock.

**Note:** Units under the SDN concept do not requisition in bulk.

## 441 Responsibilities

### Headquarters Stamp Distribution Manager

Headquarters is responsible for establishing new SDNs, closing former SDOs, and coordinating all activities with the local district accounting office.

### Stamp Distribution Network Manager

The SDN manager is accountable for all postal and nonpostal stock and oversees the daily operations of receiving and shipping accountable paper to all post offices, stations, branches, or contract units within the SDN area of distribution.

### Area Stamp Distribution Supervisor

The area stamp distribution supervisor is responsible for maintaining adequate accountable paper inventory to fill stamp stock requisitions and may be assigned to supervise stamp destruction activities.

### Stamp Distribution Clerk

The stamp distribution clerk is responsible for filling requisitions received from individual requesting offices using accountable paper inventory under the control of the vault supervisor.

## 442 Changing from an SDO to an SDN

Guidelines for closing an SDO are issued by the Headquarters stamp distribution manager.

## 443 Receiving and Recording Shipments

### 443.1 Receiving Accountable Paper

The SDN receives accountable paper from the following sources:

- National Stamp Depository.
- Bureau of Engraving and Printing.
- Government Printing Office.
- Private sector stamp production contractors.
- Stamp product contractors.
- Stamped Envelope Agency.
- Transfers between SDOs, APDs, and SDNs.
- Returned or redeemed stock from post offices, stations, branches, and contract postal units.

All stamp stock is delivered to the staging area or registry section. A supervisor and witness must immediately verify stamp stock stored in the staging area or registry section.

**443.2 Verifying Stock Shipment**

- 1>** Verify the address and registry number(s) against manifest bill.
- 2>** Report any misdirected articles or other discrepancies on the second part of Form 3854, *Registry Slip*.

**443.3 Recording Advice of Shipment**

Advice of Shipment or Form 17 should match the stock counted by the vault supervisor.

- 1>** When the value of the stock received differs from the value of the invoice, enter the value of the invoice to the appropriate AIC in the accountbook and handle the discrepancy following the discrepancy guidelines outlined in sections 424.6–424.8.
- 2>** Post the invoice amount to the accountbook in AIC 005, or 010 within 24 hours of receipt, excluding weekends.

**443.4 Entering Stamp Stock Into Inventory**

- 1>** Record the receipt of stock in the stamp distribution system (SDS) by using one of several options:
  - Received from suppliers.
  - Received from post offices within distribution area.
  - Received from SDO/SDN/APDs outside of distribution area (transfer orders).
- 2>** At the end of the business day, print Form 3958 from SDS and forward the form to the SDN manager along with all supporting documentation (Forms 17, 3229, 17 summary, picking list, etc.).

The SDN manager will verify and post to the accountbook and have supporting documents filed by APs.

**444 Filling Requisitions****444.1 Scheduling Requisitions**

- >>** Establish a requisition schedule for each post office and each SFAP reporting unit within the service area. Except for emergency orders, follow the schedule to ensure an orderly flow of accountable paper.

**444.2 Separating Duties**

- >>** Ensure that assigned clerks do not have separate stamp credits of any type.

#### 444.3 Processing Requisitions

You do not need to separate requisitions. Process requisitions as follows:

- 1> Enter all requisitions into the SDS.
- 2> In requisitions for SFAP units, include their unique four-digit SFAS unit ID number and use the finance number of the statement of account office.
- 3> In requisitions for non-SFAP offices, include their finance number.

The SDS system sorts requisitions in ZIP Code order.

#### 444.4 Creating Sessions

The area stamp distribution supervisor should sort requisitions in the SDS as follows:

- 1> Separate requisitions by regular or emergency orders.
- 2> Review the requisition list in the SDS system and select ZIP-Coded requisitions based on the following:
  - Scheduled order cycle week.
  - Emergency orders by ZIP Code.

**Note:** Create multiple sessions each day. Each session can range from one to multiple offices.

#### 444.5 Developing the Daily Session File

The area stamp distribution supervisor develops the daily session file by entering each requisition into the SDS system before withdrawing stamps from the vault. After requisitions are entered into the SDS system, the system does the following:

- Ensures that individual items comply with minimum and maximum constraints.
- Reflects any change and/or correction to the system-generated Form 17.
- Generates the necessary address labels, picking list, Form 17 summary, and individual office Form 17 documents.

#### 444.6 Withdrawing Stamp Stock From the Vault

The area stamp distribution supervisor must do the following:

- 1> Withdraw the quantities listing on the picking list.
- 2> Issue stock items, along with the picking list, to the stamp distribution clerk.

#### 444.7 **Shipping Stamp Stock**

The stamp distribution clerk must do the following:

- 1> Verify the stock received to the picking list.
- 2> Separate items according to the stamp stock shipment list.
- 3> Sign the fill line on the summary Form 17.
- 4> Verify the stamp stock order by a witness and sign on the verifier/sealer lines.
- 5> Seal and dispatch each container to the registry section.

**Note:** The stamp distribution clerk at the registry section dispatches individual containers via registered mail.

#### 444.8 **Making a Daily Report of Shipments**

On the day shipments are made or stock arrives, the area stamp distribution supervisor should do the following:

- 1> Sign the automated Form 3958 vault(s) stamp stock recap.
- 2> Submit the daily summary report to the DAO.
- 3> File the picking list and copies of the shipment reports with the original Forms 17.

#### 444.9 **Processing the Daily Close-Out**

The stamp distribution network manager must do the following:

- 1> Close the SDS system which includes all vault(s) and generates individual Forms 3958 by vault with a consolidated Form 3958 for the office.
- 2> Post all entries to the accountbook for receipt and shipment of stock in appropriate AICs. Verify supporting documentation.
- 3> Prepare a statement of account at the end of each AP.

#### 445 **Handling Automatic Shipments**

- 1> Send automatic shipments directly from the SDN to offices. Offices do not receive shipments from outside suppliers.
- 2> The SDN generates an automatic shipment listing. Send changes to the listing to the SDN to modify. Each request should include the following:
  - The affected finance number or unit ID number.
  - The present quantity.
  - The new quantity.
  - The signature of the postmaster or manager.

## 446 Handling Discrepancies in Stock Received

### 446.1 Reporting Shortages

**1>** Report shortages in sealed stock packages received on Form 8144, *Stamp Discrepancy Report*.

**2>** Complete Form 8144 in triplicate.

**3>** Keep the duplicate and triplicate copies, and mail the original to the following address:

ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

**Note:** The SDN reports shortages in stock received only from the following sources:

- Bureau of Engraving and Printing.
- Government Printing Office.
- Private sector stamp production contractors.
- Stamp product contractors.
- Stamped envelope contractor.
- Transfers between SDOs, APDs, and SDNs.

### 446.11 Handling Stock Received Shortages — Offices Receiving Stock from SDN

**1>** Use Form 8144 only to report shortages in sealed stock packages received from the SDN.

**2>** Report shortages in stock received on Form 8144. Complete Form 8144 in triplicate. Submit the duplicate copy of Form 8144 to the DAO, keep the triplicate copy, and mail the original to the following address:

ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

### 446.12 Handling Stock Received Shortages — SDN, SFAP, and Non-SFAP Offices

#### Stamp Distribution Network

**1>** Enter the dollar value stated on the advice of shipment into the SDS program. Do not adjust this figure by the amount of the shortage. Instead, report the amount of the shortage in the SDS program as a stock shortage to reduce the accountability.

- 2> Report the amount of the shortage in AIC 090, Postage Sales, and suspense on the statement of account.
- 3> Submit the original and copies 2 and 3 of Form 2130, *Claim for Loss* and duplicate copy of Form 8144 to Headquarters stamp distribution manager. Keep copy 4 of Form 2130 for your records.

#### **SFAP and non-SFAP Offices**

- >> Enter the dollar value stated on the Form 17 as stamps received. Do not adjust this figure by the amount of the shortage. Instead, report the amount of the shortage as a stock shortage to the unit reserve or main stock. Submit a copy of the duplicate Form 8144, and one copy of Form 2130 at the time you report the discrepancy to the DAO.

#### 446.13 **Reporting Excessive Shortages**

- >> Notify stamp acquisition, quality assurance at 202-268-6549 immediately if a shortage is excessive. A shortage is considered excessive if it exceeds one of the following:
  - Booklets — a full unit of 25 or more.
  - Panes — a single deck or pad of 100 or more.
  - Postal cards — 1 or more full packages of 250.
  - Stamped envelopes — 1 or more cartons of 500.
  - Aerogrammes — 1 or more cartons of 500.
  - Stamp packets (vending) — 1 or more packages of 25.
  - Stamp products (packets, folders, books, or albums) — 15 or more.
  - International reply coupons (IRCs) — 100 or more.
  - Coil of 100 stamps — 6 or more coils.  
Coil of 500 stamps — 1 or more coils.  
Coil of 3,000 stamps — 1 or more coils.  
Coil of 5,000 stamps — 1 or more coils.  
Coil of 10,000 stamps — 1 or more coils.

#### 446.2 **Reporting Overages**

- 1> Report overages in stock received on Form 8144, *Stamp Discrepancy Report*.
- 2> Complete Form 8144 in triplicate.
- 3> Keep the duplicate and triplicate copies of Form 8144 and mail the original to the following address:  
ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436

**Stamp Distribution Network**

- 1>** Enter the dollar value stated on the advice of shipment into the SDS program. Do not adjust this figure by the amount of the overage. Instead, report the amount of overage in the SDS program to increase the accountability.
- 2>** Report the amount of the overage in trust and reduce AIC 090, Postage Sales.
- 3>** After 1 year, remove from trust and report in AIC 126, Miscellaneous Revenue.

**SFAP and Non-SFAP Offices**

- 1>** Enter the dollar value stated on Form 17 as stamps received.
- 2>** Do not adjust this figure by the amount of the overage. Instead, report the overage as a stock overage to the unit reserve or main stock on Form 3958.
- 3>** Submit a copy of the duplicate Form 8144 to the DAO.
- 4>** Report the amount of the overage in trust and reduce AIC 090, Postage Sales.
- 5>** After 1 year, remove from trust and report in AIC 126 Miscellaneous Revenue.

**446.3 Handling Defective Stock**

Defective stock is stock that contains obvious printing and production error, such as the following:

- Missing color.
- Upside-down printing.
- Bad color registration.
- No perforations.
- Perforated stamp design.
- Missing printing.

**446.31 Reporting Defective Stock**

- 1>** Report defective stock received on Form 8144. Complete the form in quadruplicate.
- 2>** Send the original Form 8144 to the following address:  
ATTENTION QUALITY ASSURANCE  
MANAGER STAMP ACQUISITION  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2436



**Note:** Unless you are directed by Headquarters to submit a sample of the defective stock, record the stock as redeemed and submit it for destruction.

- 3> Submit the duplicate copy of Form 8144 to the Headquarters stamp distribution manager with the Form 2130.
- 4> Send the triplicate copy of Form 8144 to the following address:  
INTERNAL AFFAIRS DIVISION  
INSPECTION SERVICE  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-2112
- 5> Keep the fourth copy for your records.

#### 446.32 **Accounting for Defective Stock**

- >> Account for defective stock submitted as samples in the same manner as a stock received shortage as explained in section 424.8.

#### 446.4 **Handling Stamp Stock to be Destroyed**

##### 446.41 **SDN Stamp Stock Return Committee**

- 1> Verify the stock and sign all Forms 17-T.
- 2> Submit the original and a copy of Form 17-T to the SDN manager.
- 3> Return two certified copies of Form 17-T to the non-SFAP post office or unit that remitted the stock for destruction. Return two certified copies of Form 17-T to the SFAP post office or unit that remitted the stock for destruction.
- 4> Prepare Form 3238 from Form 17-T.
- 5> When the stock is destroyed at a later date, provide this information to the SDN manager. The SDN manager will record the stock on a log pending destruction.
- 6> Secure all stock delayed for destruction.

##### 446.42 **SDN Manager**

- 1> Enter the amount on Form 17-T as stock received (AIC 005).
- 2> Enter the amount on Form 3238 as stock destroyed (AIC 510 or 511).
- 3> Generate a Form 17 summary and forward to the DAO.
- 4> Submit the original Form 3238 along with the summary of all Forms 3238 reported in AIC 510 or AIC 511 to MNASC with SDN statement of account.
- 5> Keep a certified copy of Form 3238 to support the entry to AIC 510 or AIC 511.
- 6> Maintain a log of all stock that has been certified for destruction but not yet destroyed. As stock is destroyed, update the log.

## 447 Handling Accountable Paper Returns

### 447.1 Receiving Salable Stock

Offices within the SDN service area may return sealed salable stock for redistribution. The SDN manager, however, must first give permission to the office wanting to return salable stock. Stamp stock returned to the SDN without first obtaining this permission may be sent back.

- 1> In SFAP offices with IRTs, enter the amount to stock returned in the IRT, which flows to AIC 848.
- 2> In non-SFAP offices with IRTs, enter the amount to stock shipped in the IRT, which flows to AIC 501.
- 3> Report stock on Form 17-T, using four copies for distribution.

**Note:** If salable stock is returned to an SFAP or a non-SFAP office, you must report the receipt and distribution of the stock in the SDS system. Otherwise, the ASC will issue a statement of difference, which will cause unnecessary administrative cost.

### 447.2 Receiving Migratory Bird Stamps

Federal law requires persons who hunt migratory birds to obtain a migratory bird hunting and conservation stamp. The Postal Service refers to these stamps as bird stamps.

#### 447.21 Selling Period and Quantities to Order

The selling period for bird stamps at postal retail units nationwide begins on July 1 and normally lasts until March 1 of the following year.

- >> Review prior year usage and be sure to have an adequate supply of bird stamps on hand to fill requisitions during ordering periods. Offices within the service area are required to order a 1-year supply of bird stamps each year from the SDN.

#### 447.22 Disposing of Unsold Bird Stamps

Postal retail units must withdraw bird stamps for sale by the end of AP 6 of each FY. The SDN manager is responsible for issuing a notice to each.

##### Non-SFAP Post Offices

- >> Instruct postal retail units to recall bird stamps internally and place them in the main stamp stock. The notice must include a time period for the post office to return bird stamps to the SDN, using Form 17. Report return in AIC 502.

##### SFAP Units

- >> Instruct postal retail units to recall bird stamps internally and place them in the unit reserve stamp stock. The notice must include a time period for the unit to return bird stamps to the SDN using Form 17. Report the return in AIC 848.

**Note:** The SDN must process all unsold bird stamps for “In-House Destruction,” except those retained in philatelic units, before the close of AP 8 of each fiscal year.

#### 447.23 **Accounting for Unsold Bird Stamps**

##### **SDN**

- 1> Record bird stamps received to AIC 010, Bird Stamps Received.
- 2> Submit the bird stamps and Form 17-T to the Stamp Stock Return Committee.

##### **Stamp Stock Return Committee**

- 1> Certify the bird stamps for destruction and sign all Forms 17-T.
- 2> Submit a copy for statement of account offices and the original and a copy for SFAP offices of Form 17-T to the SDN manager.
- 3> Return original and copy of certified Form 17-T to the post office (statement of account office) that remitted the stock for destruction. Return one certified copy of Form 17-T to the SFAP post office or unit that remitted the stock for destruction.
- 4> Complete Forms 3238 from Form 17-T and submit them to the SDN manager.
- 5> Report any problems or discrepancies to the District Accounting Office for resolution.
- 6> When the stock is destroyed at a later date, provide this information to the SDN manager. The SDN manager will record the stock on a log pending destruction.

##### **SDN Manager**

- 1> Submit Form 17 summary to the DAO.
- 2> Record the destruction to AIC 511.
- 3> Submit the signed original Form 3238 with the statement of account to the MNASC.

#### 447.3 **Receiving International Reply Coupons**

##### 447.31 **IRC Definition**

An international reply coupon (IRC) is a coupon sold by the Postal Service (U.S.-issued) and member countries (foreign-issued) of the Universal Postal Union (UPU). The purchaser of an IRC generally sends the IRC with a letter to a person in a foreign country, who in turn can “exchange” the IRC for postage in replying to the letter sent to him or her.

### 447.32 **U.S.-Issued Refunded IRC Definition**

A U.S.-issued refunded IRC is a coupon that is sold in the United States; the purchaser brings the IRC to a U.S. post office for a refund. The refund amount is the purchase price less \$0.01. (Handle these IRCs as outlined in section 426.9.)

### 447.33 **Exchanged IRC Definition**

An exchanged IRC is a coupon that is sold in a foreign country and exchanged at a U.S. post office for postage. See IMM, Part 392, for the current exchange rate.

**Note:** Foreign-issued IRCs dated before January 1, 1975, are not exchangeable in U.S. post offices.

### 447.34 **Accounting for Returned IRCs at the SDN**

The SDN manager must do the following:

- 1>** Issue a notice, before the close of AP 4, to each SFAP unit with instructions to internally recall all exchanged foreign-issued and U.S.-issued refunded IRCs into the unit reserve stamp stock. The notice must include batching instructions (Form 17 is required for exchanged foreign-issued and U.S.-issued refunded IRCs, sorted by denominations) and a time period for unit reserve custodian to return the IRCs to the SDN.
- 2>** Enter the total amount of exchanged foreign-issued and U.S.-issued refunded IRCs into the SSS program and record the amount into AIC 625, International Reply Coupons Exchanged, on the statement of account.
- 3>** Batch exchanged foreign-issued and U.S.-issued refunded IRCs separately and submit to the ASC with the statement of account for AP 6.

**Note:** For Non-SFAP units, refer to section 426.9 for accounting procedures.

## 448 **Handling Money Orders**

### 448.1 **Domestic Money Order Sets**

The area supply center automatically sends money order sets to each SDN. Shipments are in multiples of 70,000 form sets.

The SDN is responsible for supplying money sets to offices within its service area.

**Exception:** If more than a 6-month supply is on hand, the SDN may request the area supply center to defer an automatic shipment.

**448.2 Storing Blank Money Sets**

- >>** Store money order sets in a secure area or vault that is locked and under control of the supervisor.

**448.3 Distributing Money Order Sets**

- >>** Distribute money order sets with stamp stock shipments. Do not split a package of 100 money order sets between post offices or SFAP units.

**Exception:** Issue international money orders in a minimum five forms sets.

**448.4 Bait Money Orders**

Bait money orders are issued to retail units and assigned internally in various dollar amounts and dates and placed in unlocked containers after business hours. Because bait money orders are assigned unique serial numbers, cashed bait money orders provide investigative leads when a robbery or burglary occurs.

**Note:** Bait money orders are not printed in sets. There is no customer receipt or voucher.

**448.41 Storing and Shipping Bait Money Orders**

The area stamp distribution supervisor is responsible for sending enough bait money orders to each post office and SFAP reporting unit. To avoid confusion take the following steps:

- 1>** Store bait money orders separately from regular money order sets.
- 2>** Do not ship bait money orders along with regular money orders.

**448.42 Further Instructions for the Bait Money Order Program**

For specific instructions for this program, such as how to report lost, stolen, or damaged bait money orders, see Management Instruction AS-220-95-3.

## 45 Destroying Stamp Stock

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Stamp stock destruction includes counting, recording, and destroying nonsalable stamps, stamped paper, and philatelic products. Destruction does not include IRC, post office meter stamps, PVI labels, and loose stamps not posted on 8-1/2 X 11 paper.

As a general rule, stamp stock is destroyed only at the SDO, SDN, or Stamp Fulfillment Services; however, local Inspection Service personnel may approve alternative destruction locations on a case-by-case basis.

The purpose of this section is to do the following:

- Describe uniform policies of stamp stock destruction.
- Help employees understand the procedures of stamp stock destruction and their role in it.

- Make employees aware of other important processes related to stamp stock destruction, including withdrawing and returning stock, determining stock values, and methods of destroying stamp stock.

## 451 Responsibility for Stamp Stock Destruction

### 451.1 Offices Under SDO

#### District Manager

- 1> Review any reports of irregularity by members of the destruction committee or alternates.
- 2> Ensure that the stamp destruction committee meets and destroys accumulated stock at least once per postal quarter.
- 3> Order the stamp destruction committee to convene and destroy stock when Headquarters has approved a unit to convert from traditional accountability to an open/closed merchandise accountability.

#### District Customer Service Support Manager

- 1> Manage the accountable paper operations of the SDO.
- 2> Establish the stamp stock destruction committee.
- 3> Appoint members to the committee.
- 4> Ensure that the committee's activities are completed as scheduled.
- 5> Require each member to complete Form 3237, *Stamp Stock Destruction Committee Notice of Appointment* (December 1994 edition) in the presence of the district manager.
- 6> Keep the original Form 3237 on file.
- 7> Give the duplicate Form 3237 to the stamp stock destruction committee members.

#### District Manager Finance

- >> Designate annually a supervisor or manager who is not a regular or alternate member of the committee to observe the activities of the stamp stock destruction committee.

### 451.2 Offices Under SDN

The SDN has its own internal stamp destruction committee. It is managed by the Headquarters stamp distribution manager and the stamp distribution network manager. No local district administration is required.

## 452 Procedures for Withdrawing Stamp Stock — All Post Offices and SFAP Reporting Units

### 452.1 Processing Specific Categories of Stamp Stock

#### Damaged Stamps

- 1> Accept stamps damaged by customers as described in the DMM Module P014.
- 2> Ensure that the credit value is marked on the booklet cover or wrapper. The credit value claimed must be apparent on the stamps.

#### International Reply Coupons

International Reply Coupons are documents exchanged between countries to prepay international postage (see IMM, Part 392).

- >> Do not destroy exchanged foreign-issued IRCs.

#### Loose Stamps

- >> Sell any loose stamps if possible. If the loose stamps cannot be sold, sort the stamps by denomination and paste them on letter-size paper. Enter total value on the bottom of the sheet.

#### Nonsalable Stamp Stock

Stock to be destroyed includes the following:

- All damaged stamps, any partial packages of stamps, stamped envelopes, or postal cards.
  - Stock that was removed from sale at all locations, including Stamp Fulfillment Services. (Stock removed from sale at all locations is called obsolete stock.)
- >> Send returned stock or stock to be destroyed to the SDO or SDN only if the minimum amount has accumulated since the last shipment. Otherwise, keep the stock at the post office until you have the required amount. The minimum amounts are as follows:

CAG A–G	\$100
CAG H and J	\$50
CAG K and L	\$25

#### Post Office Meter Strips

- >> Report unused post office or PVI labels as follows:
- Use Form 3533, *Application and Voucher for Refund of Postage and Fees*.

**Note:** Do not submit Forms 3533 to the SDO for destruction.

- Use Form 1412 and record the amount in AIC 553, Stamps and Fees Refunded.

#### 452.2 **Notification for Withdrawing Stock**

The stamp stock custodian should watch for and follow the instructions in the *Postal Bulletin* to know when to withdraw specific stamps and stamped paper items and for information about returning stock to the SDO or the SDN.

- >> Return stock according to schedule to the SDO or SDN at least biannually. Do not return stock to the SDO or SDN during accounting period 13 or during the final 2 weeks of a postal quarter.

#### 452.3 **Determining Stamp Stock Values**

##### **Nondenominated Stamps and Stamped Paper Items**

- >> Refer to the DMM Module P022.2.2 for descriptions of all nondenominated stamps (rate change) and stamped paper items issued from the first issue in 1975 to the present.

##### **Stamps Damaged by Customers**

- 1> For damaged stamps received from customers as described by DMM Module P014, accept the credit value of damaged stamps that is marked by the unit on the booklet cover or wrapper.
- 2> Do not count these stamps individually; however, if the credit value claimed by the unit appears excessive or unreasonable, notify the local inspector in charge.

##### **Postal Cards**

- >> Redeem postal cards at face value when they are returned unsold to the stamp stock destruction committee from the main stock or from clerks' credits. Postal cards are printed on only one side, in the stamp area.

##### **Picture Postcards**

- >> Distinguish postal cards from picture postcards that sell for 50 cents each (also called vue cards and EXTRAordinary cards). Picture postcards have pictures printed on the entire front of the cards; postage value is printed on the back.

##### **Postal Stamped Paper**

- 1> Verify the value claimed for postal stamped paper (postal cards, stamped envelopes, and aerogrammes), especially stock returned by customers.
- 2> Display value claimed clearly on Form 17 when submitting stamped paper items. See provisions for exchanging stamped paper in the DMM Module P014.



**Plain Stamped and Nonprofit Envelopes**

- 1> Record the value of stamped envelopes at full value, including the window version.
- 2> Clearly display value claimed for each item on Form 17 when submitting stamped envelopes.

**453 Stamp Stock Destruction Committee****453.1 Responsibilities**

The stamp stock destruction committee is an ad hoc group of career postal employees.

The destruction committee does the following:

- Counts, records, and destroys nonsalable stamps, stamped paper, and philatelic products.
- Knows the policies and procedures of stamp stock destruction.
- Reports departures from established procedures to the district manager and the Inspection Service.

**453.2 Composition of the Committee**

Any **career** employee, regardless of pay level or status (full-time or part-time) is eligible to be appointed to a stamp stock destruction committee. Noncareer employees such as casuals, transitionals, and contractors are not eligible to serve on the committee.

**Note:** An accountable paper supervisor can be a member of the committee but cannot serve as the non-financial supervisor.

The committee has six members. One regular member and one alternate member represent each of the following areas:

- A postmaster or nonfinancial supervisor.
- An employee of the accountable paper section.
- An employee with no stock or financial responsibility.

**453.3 Duration of a Term**

Each member serves for 3 years. Potential members (regular or alternate members) must not have served on the committee for the 3 years preceding appointment.

If a serving member cannot be found in other parts of the district, the original accountable paper clerk may serve another term if the committee requests an exception to established procedure from the local inspector in charge. The Inspection Service considers exceptions on a case-by-case basis.

**453.4 Resigning from the Committee or Removing a Member**

To resign voluntarily, a member should do the following:

- 1>** Submit a letter of resignation to the district manager or SDN manager. The letter should explain in detail the reason for resignation.
- 2>** Send a copy of the resignation letter to the local inspector in charge.
- 3>** Take appropriate follow-up action to letters of resignation.

To remove a member of the committee, the district manager or Headquarters stamp distribution manager should do the following:

- 1>** Document the reasons for removal.
- 2>** Attach the documentation to the original Form 3237.
- 3>** Send a copy of the documentation to the local inspector in charge.
- 4>** Maintain the documentation and original Form 3237 as part of the committee file.

**453.5 Destroying Stamp Stock (Destruction Committee)**

Three members of the stamp stock destruction committee must be present at any meeting. One of the members present must be a postmaster or a nonfinancial supervisor.

To destroy stamp stock, two members must do the following:

- 1>** Independently count the nonsalable stock.
- 2>** Verify that the amounts entered on Form 3238 agree with the actual count.

A third member must do the following:

- 1>** Record the counts of the other two members.
- 2>** Verify the count if the first two members who count the stock disagree.
- 3>** Record the correct number and write the value of the stock in words on each Form 3238.

All three members must do the following:

- 1>** Initial any corrections made to Form 3238.
- 2>** Witness the actual destruction and remain at the on-site destruction area to ensure that the items have been totally destroyed.
- 3>** Sign all copies of Form 3238 after the stock has been completely destroyed and the value of the stock destroyed has been written in words on each Form 3238.
- 4>** Enter in the date the stock was destroyed on each form.

- 5> Distribute Form 3238 according to the following plan:

**Non-SFAP Units**

Return the certified original Form 3238 and one copy to the originating post office during the same quarter it was received. Keep a signed copy of Form 3238 for the committee records.

**SFAP**

Send the certified original and copy to the SDO. Send a copy to the originating post office.

- 6> Keep a signed copy of Form 3238 for the committee records.

**Note:** See *Postal Bulletin* instructions for keeping a log on stock verified but not yet destroyed.

## 454 Receiving Stock

The stamp stock to be destroyed usually arrives in full cartons, but it may include stamps in full panes, booklets, or coils; stamped paper; or philatelic products. Loose stamps are pasted on to sheets as described in section 452.1.

When the Stamp Stock Destruction Committee receives the stock, the stock includes a partially completed original Form 3238 and two copies for statement of account offices (three copies for SFAP units).

## 455 Determining Methods of Destruction

The Stamp Stock Destruction Committee destroys stamps and stamp products by the methods described below unless local Inspection Service personnel recommend other methods, such as burning stamps in a controlled environment. Alternative methods of destruction are approved on a case-by-case basis.

### **Stamps, Stamps in Packages, and Pressure-Sensitive Stamps**

- 1> Destroy stamps by shredding to 1/4-inch-wide strips or particles no longer than 1/4 inch.
- 2> Discard the packaging as waste; do not shred.

**Note:** Significant quantities of pressure-sensitive stamps may damage the disintegrators or shredders. The local inspector in charge may approve an alternative method of destroying these stamps, such as pulping at a commercial location.

### **Philatelic Products**

- 1> Sell philatelic products until they are recalled for destruction. If recalled for destruction, consider using the product for promotional purposes or as gifts to employees. The procedures for obtaining promotional items appear in section 428.8.

- 2> The Stamp Stock Destruction Committee destroys philatelic products in the same way as stamps. Otherwise, use another method of destruction and obtain approval from the local inspector in charge.

### **The Postal Service Guide to U.S. Stamps**

See the *Postal Bulletin* in September for instructions on how to dispose of *The Postal Service Guide to U.S. Stamps*.

### **Stamped Envelopes and Postal Cards**

Cancel, perforate, or otherwise render stamped envelopes and postal cards unusable. Discard the stock as waste after canceling or defacing the postage.

### **International Reply Coupons**

- >> Do not destroy exchanged foreign-issued or any U.S.-issued IRCs. (Handle according to instructions in section 426.9.)

## **456 Destroying Stock**

- >> Each postal quarter, destroy all nonsalable or withdrawn items from sale stamp stock that has accumulated. Destroy stock received in a preceding quarter before the end of the next quarter even though stock accumulates continuously during the quarter. For example, destroy stock received in quarter 1 during quarter 2. Stock must not be on hand in quarter 3. Accumulating obsolete stock is an unnecessary inventory cost that also increases the risk of pilferage.

## **457 Handling Discrepancies in Stock to Be Destroyed**

- 1> If the unit verbally agrees with the Stamp Stock Destruction Committee or SDN about the discrepancy, the committee makes corrections.
- 2> If the unit does not verbally agree with the Stamp Stock Destruction Committee or SDN, return by registered mail Form 3238 or Form 17-T and the stock to the unit.

# **46 Managing Accountable Paper at the District Accounting Office**

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## **461 Handling Bird Stamps**

### **461.1 DAO Under an SDO**

- 1> Record the bird stock destroyed to AIC 511.
- 2> Submit the signed original Form 3238 with the district statement of account to MNASC.

**Note:** See section 437.23 for SDO instructions.

**461.2 DAO Under an SDN**

- 1>** Enter the amount on the Form 17 summary to AIC 502.
- 2>** Resolve any discrepancies between the amounts listed on the Form 17 summary to the amounts listed in AIC 848 for Bird Stock Return on Form 1412.

**Note:** See section 447.23 for SDN instructions.

**462 Handling International Reply Coupons****462.1 DAO Under an SDO**

- 1>** Verify IRC batches submitted by the SDO.
- 2>** Verify that foreign-issued exchanged IRCs and U.S.-issued refunded IRCs are accounted for with documentation.
- 3>** Make appropriate entry into SFAS, AIC 625.
- 4>** Submit them to the ASC with the district statement of account for AP 6.

**Note:** See section 437.34 for SDO instructions.

**462.2 DAO Under an SDN**

- >>** Upon receipt of a station summary report from the SDN, enter the total in the advice of shipment screen to AIC 501.

**Note:** See section 447.34 for SDN instructions.

**463 Handling Stamp Stock Destruction Procedures**

Managing in-transit stamp stock between the SDO or the SDN and the receiving office is a process performed by the district accounting office using the SDO/SDN In-transit program. The In-transit program does the following:

- Tracks stamp stock shipments and receipts of stock to and from standard field accounting system (SFAS) units.
- Maintains the accountability of the unit daily by using data that are (1) downloaded from the MNASC to each district, and (2) extracted data from the SFAS files. These files are downloaded to a menu-driven EXCEL program that processes the data and prints a modified Form 3959 along with in-transit shipped and returned reports.
- Identifies stamp stock discrepancies for adjustment.

**463.1 DAO Under an SDO**

- 1>** Verify the amount on Form 3238 to ensure that it matches the amount on Form 3958.
- 2>** Reconcile all AIC 848 discrepancies from the In-transit program.
- 3>** Enter amount of stock destroyed as shown on Form 3238 (submitted by the SDO) into the SFAS accountable paper screen.

- 4> Submit the original Form 3238 reported in AIC 511 along with a tape of all Forms 3238 to MNASC with the district statement of account. For AIC 510, Postage Stock Destroyed, submit the original Form 3238 to MNASC with the SOA. Do not include postage stamps destroyed and bird stamp destroyed on the same Form 3238.
- 5> Keep a certified copy of Form 3238 to support the entry to either AIC 510 or AIC 511. The district accounting office will verify the amounts on Forms 3238 to ensure that they match the amount on Form 3958.

#### 463.2 **DAO Under an SDN**

- 1> Reconcile all AIC 848 discrepancies from the In-transit program.
- 2> Enter amount of stock returned as shown on the station summary report into the SFAS accountable paper screen as stock returned.
- 3> Submit the Form 17 summary of stock returned reported in AIC 502 to MNASC with the district statement of account.
- 4> Keep a certified copy of Form 17 summary to support the entry to AIC 502.
- 5> Resolve all discrepancies between the amounts listed on the Form 17 summary to the amounts listed in AIC 848 for migratory bird stock return on Form 1412.

#### 464 **Reviewing Non-SFAP Statements of Account**

- 1> Verify the Form 3238 for accuracy and signature.
- 2> Compare the totals to AICs 510 or 511 on the SOA.
- 3> Submit original of Form 3238 with the SOA to the Minneapolis ASC.

## 47 (Reserved)

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## 48 Managing Accountable Paper and Cash at Offices With Segmented Inventory Accountability

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### 481 **Overview**

Segmented Inventory Accountability (SIA) is a financial concept used at Postal Service retail units with POS ONE point-of-service terminals. Each unit must contain and maintain a unit reserve stock and has a number of different segments. A window services employee is identified as a sales and services associate (SSA), and an associate's role determines his or her access and responsibility for the assigned inventory segment(s). Employees (SSA) working at window services do not have a stamp stock inventory assigned as individual accountability. Instead, they work from a shared retail floor stock.

SSAs working from the retail floor stock are assigned a \$100 cash credit, identified as cash retained, for which they are individually accountable. Other segments may require stamp stock inventory assigned as individual accountability.

#### 481.1 **Retail Floor Stock**

The major change incorporated in this section is the inclusion of the concept of retail floor stock. Under this concept, two modifications are made to traditional controls. First, cash is separated from stamp stock in retail credits. Second, a shared retail floor stock replaces individual stamp credits for SSAs.

#### 481.2 **Units Affected by Retail Accountability Changes**

The incorporation of the retail floor stock concept under Segmented Inventory Accountability (SIA) is restricted to POS ONE units, postal retail stores, and post office express (POE). Exceptions to this restriction must be approved by the controller and vice president, Finance.

### 482 **Responsibility for Retail Unit Operations**

The postmaster/unit manager or supervisor is responsible for compliance with the procedures defined in this section. Key elements of this responsibility include establishing and controlling segments within the unit, monitoring inventory levels, ensuring proper entry of all financial transactions, remittance of all funds in excess of authorized reserves, and monitoring of operations including count procedures. The postmaster/unit manager or supervisor is responsible for providing adequate security for all accountable items.

#### 482.1 **Existing Procedures and Policies**

Except for procedures or policies redefined in this section 48, all existing postal financial procedures and policies defined within this handbook will remain in force.

#### 482.2 **Responsibility for Inventory Items, Cash, and Equipment**

It is the responsibility of all employees to ensure:

- Financial integrity.
- Security of all postal stock, funds, equipment, and facilities.
- Reporting of all retail transactions to include providing a receipt to each customer.
- In POS ONE sites, using the POS ONE cash drawers for all daily transactions as they occur. (See section 151.42)

Employees are accountable for:

- Cash directly assigned to them.
- Money order stock directly assigned to them.
- Stamp stock directly assigned to them.

- Correct collection and remittal of all funds due the Postal Service.

## 483 Unit Reserve Responsibility

- 1> The unit reserve is assigned to the postmaster, unit manager, supervisor, or finance clerk (lead SSA) at a finance station. A finance station has no domiciled supervisor and has no more than three full-time SSAs assigned to the unit. A finance clerk (lead SSA) may also be assigned a credit from which direct sales to the public are conducted.
- 2> At other units where no supervisor is domiciled, the unit reserve stock may be assigned to a window service technician (lead SSA). When the unit reserve stock is assigned to a window service technician (lead SSA), that employee may not also have accountability for any credit from which sales are made directly to the public.
- 3> The individual assigned to the unit reserve is referred to as unit reserve custodian. The unit reserve custodian is directly accountable for the value of all items in the unit reserve stock.
- 4> Assignment of the unit reserve stock is made using Form 3369-P, *Consigned Credit Receipt*, and all counts of the unit reserve are posted to Form 3368-P, *Accountability Examination Record*.
- 5> A POS ONE Unit Reserve Financial Report (Form 3958, *Main Stock (or Unit Reserve Stock) Transaction Record*), Stamp Stock Unit 1412, or an IRT Form 3958, is prepared and signed every day that transactions affect the unit reserve stock.
- 6> The unit reserve contains items listed in section 413 of this handbook. The unit reserve custodian maintains and secures all accountable papers for the unit beyond the levels authorized for the various segments. The employees assigned to the various segments within the retail unit obtain these items directly from the unit reserve.
- 7> The unit reserve stamp stock is maintained at the required 9-week stock level in compliance with section 422.2. Do not exceed the 9-week sales level for your office.

## 484 Segments

### 484.1 Definition

Segments define the assignment of cash or stamp stock to various individuals or roles within a unit.

On each unit's system-generated Form 1412, *Daily Financial Report*, the total of all stamp stock is posted in AIC 853, Stamp Accountability Closing Balance. In both the POS ONE system and on the IRTs, the "Clerk Balance List" generates a report of the balance of each segment's stock. The total value of stock computed on the "Clerk Balance List" must always equal the unit's total reported in AIC 853 on the daily financial report. The "Clerk Balance List" will always include a unit reserve, a retail floor stock, and may



include other segments such as mobile unit, philatelic, or self-service (vending).

Similarly, the unit's daily financial report (Form 1412) has a total of AIC 753, Cash Retained. This is defined on the "Clerk Balance List" by listing the unit's cash retained reserve plus the various assigned associates' cash retained credits.

**Note:** Rural carrier credits and stamps on consignment are included in the unit reserve accountability. They are fixed amounts entered into the unit reserve total as unique item numbers and are not segments. Replenishment is made by purchasing stock from retail floor stock.

#### 484.2 Segments Assigned from the Unit Reserve

Segments assigned from the unit reserve include:

- *Vending (Self-Service Credits)* — Stock for sale through vending equipment is assigned to the Self-Service Postal Center (SSPC) technician, or designated employee, who is directly accountable for that inventory. This credit is replenished directly from the unit reserve to the designated employee to whom the credit is assigned, unless this function is supported by the Stamp Distribution Office (SDO) or Stamp Service Center (SSC) as a separate unit ID.
- *Mobile Unit Credits* — Stock for use by associates assigned to operate mobile units is issued directly from the unit reserve. This credit is accountable to an individual.
- *Philatelic Units (or dedicated windows)* — Where a dedicated philatelic credit is used, stock is issued directly from the unit reserve. The credit is accountable to an individual.
- *Retail Floor Stock* — Stock for this inventory is issued from the unit reserve. The purpose is to provide a common inventory for use by the associates in units as defined in section 481.1. This credit is not accountable to any individual.
- *Stamps by Mail (where volume prohibits filling requisitions by an associate)* — Stock for this inventory is issued from the unit reserve. The purpose is to provide an inventory for use in filling stamp orders received from customers by mail or fax. This credit is accountable to an individual.

**Note:** *Special Event Credits* — On occasion, the Postal Service establishes credits associated with special events. Temporary credits can be assigned to one of the accountable segments with stock issued directly from the unit reserve. At the completion of the event, all sales must be posted. A count is conducted and the balance is either returned to the unit reserve, prepared for destruction, or moved to retail floor stock.

**484.3 Documentation of Stock Assignment****484.31 POS ONE Offices**

- 1>** Assignments of all individually accountable credits and unit reserve stock are documented by the completion of Form 3369. In these instances, assigned employees are accountable for all stock, accountable paper, money orders, and money in their respective credits.
- 2>** For stamps on consignment, the contract serves as documentation for the credit.
- 3>** Retail floor stock is issued directly from the unit reserve. Although no individual is accountable for this stock, each associate making sales from this credit is responsible for ensuring adequate protection and security of Postal Service resources.
- 4>** Form 17, *Stamp Requisition*, or an approved electronic equivalent, is retained to document shipments of stock from the unit reserve to retail floor stock and from retail floor stock back to the unit reserve. The unit reserve stock custodian signs the Form 17 as “shipped” or “received” as appropriate. An associate must independently count all stock moved into and out of the retail floor stock and sign the appropriate Form 17 as “witnessed” or “verified by.”

**484.32 Retail Postal Stores with IRTs**

- 1>** Associates selling from the retail floor stock segment at IRT units must maintain stock balances to operate the IRT. Although these associates have a stock value listed on the “Clerk Balance List,” they are not individually accountable for this balance, and no Form 3369 is required.
- 2>** The IRTs do not have the ability to accommodate the retail floor stock segment. In essence, since each associate has to maintain a stock balance to operate the IRT, the retail floor stock is valued at the total of all associates’ IRT balances. Even though each individual associate, working from credits that represent the retail floor segment, has a balance listed on the “Clerk Balance List,” none are held to be individually responsible for that listed value. The total of balances for all associates operating from the retail floor stock must at all times be equal to the total retail floor stock segment.
- 3>** In this IRT environment, each shipment of stock into or out of the unit reserve must be documented on a Form 17. The exact item numbers and quantities shipped to the retail floor stock from the unit reserve must be “shipped” by the unit reserve custodian and “witnessed” by one of the associates operating in the retail floor stock segment, with signatures required. Ensure that stock shipped to the retail floor stock is adequately distributed among the associates to maintain an operational balance. In some instances, stock credit will have to be transferred between associates to maintain operating stock balances on their IRTs.

- 4> Stock returned from retail floor stock must be documented on Form 17 also. The stock is independently verified by an associate and the stock custodian. An associate “witnesses” the Form 17, and the stock custodian “receives” the stock, with signatures required.

## 485 Retail Floor Stock

### 485.1 Definition

Retail floor stock is a common inventory used by associates in units as defined in section 481.1. This stock is not assigned to an individual.

Retail floor stock is divided into two major components:

- *Display stock, which is only used in postal retail stores, comprises the following two items:*
  - Open Merchandise Stock* — Shrink-wrapped stamp stock and philatelic products that are displayed in the open merchandising area, accessible to the general public on the slat wall or gondola.
  - Closed Merchandise Stock* — Stamp stock and philatelic products displayed in the retail clerk area, inaccessible to the general public and nonretail employees.
- *Loose Stock* — Accountable paper held as a common credit available to all associates in a designated retail window unit, but not on display. This stock is held in the associate’s area, inaccessible to the general public and nonretail employees.

### 485.2 Retail Floor Stock Limits

Retail floor stock, which is the sum of display stock plus loose stock, must be limited to a 2-week level as determined by same period last year (SPLY) stamp sales. (Formula: SPLY->AIC 852, Total Sales, minus AIC 096, Vending, and AIC 094, Stamps by Mail.) The limitations must be enforced to minimize the risk of losses that might be associated with the concept of common accountabilities.

**Note:** Proper inventory controls are an essential part of managing the retail floor stock and minimizing potential losses. Broken stock (partial sheets, loose stamps, etc.) held in the loose stock must be kept to a minimum to simplify the count of the unit.

### 485.3 Money Order Form Sets

Each associate is assigned money order form sets as explained in section 74 of chapter 7 of this handbook. Do not split a package of domestic money order form sets between associates. Associates acknowledge the receipt of blank money order sets by signing Form 17 and accepting money orders in the POS ONE/IRT system. A complete record of all blank money order sets assigned to associates is maintained using Item 0-137A (green logbook) including money order serial numbers, date, and associate’s printed name and initials.

**Note:** When an associate's credit is canceled, the assigned money orders are returned to the unit reserve. These may be reassigned to another associate and the newly-assigned associate must verify the continuity of serial numbers. The associate acknowledges the receipt of blank money orders by signing Form 17, accepting money orders in the POS ONE/IRT system, and initialing the money order log maintained in Item 0-137A.

## 486 Cash Credits

In the SIA configuration, there are two types of cash credits assigned.

### 486.1 Unit Cash Retained Reserve

- 1> A unit cash retained reserve is established for the unit. This is used to provide retail floor stock associates and employees assigned to the other segments a source for rolled coins and smaller denomination currency. This reserve is fixed in amount. It is established via a written request by the postmaster/retail unit manager to the district finance manager. This request must include the proposed amount of the unit cash retained reserve, and the total of all associates' cash retained, that will be reported in AIC 753, along with justification. The district finance manager is responsible for reviewing the request, including the amount, and sending written authorization or denial to the unit within 5 working days of receiving the request.
- 2> The unit's cash retained reserve is assigned to an individual, on Form 3369-P, who is directly accountable. When circumstances warrant, the unit cash retained reserve custodian may reassign all or part of the unit cash retained reserve using Form 3369-P. The unit cash retained reserve has no tolerance. These reassigned funds must not be mixed with other accountable credits assigned to the employee.

### 486.2 Sales and Services Associates Cash Retained

Associates working from the retail floor stock segment do not sell from an individual stamp credit. Associates are authorized a cash retained amount of \$100 for which they are individually accountable.

The total of the unit cash retained reserve and the individual associate cash retained amounts must be equal to AICs 353/753 as reported on the unit's Form 1412 and cannot exceed the approved amount.

**Note:** Form 3369-P, *Consigned Credit Receipt*, is used for each assigned cash retained credit.

### 486.3 End of the Day Internal Controls

Due to the change from individual accountabilities to the retail floor stock concept, close-out procedures are modified. POS ONE and the IRT both generate a "Clerk Balance List." At close out, the person consolidating the unit's Form 1412 must:

- 1> Verify that the total of the cash retained balances (both the unit's cash retained reserve and the individual associate's cash retained) is equal to the total entered as AIC 753 on the unit's Form 1412.
- 2> Verify that the total stamp stock accountability appearing in AIC 853 on the unit's Form 1412 is in agreement with the unit's total stamp accountability on the "Clerk Balance List."

**Note:** In POS ONE, the "Clerk Balance List" shows the unit reserve, self-service vending credits, mobile credits, philatelic credit, and the retail floor stock credit. The retail floor stock credit replaces the traditional individual window employee credits.

## 487 Conducting Counts

### 487.1 Responsibility

- >> The postmaster/unit manager is responsible for ensuring that all required counts are performed, including stamp stock credits, cash credits, unit reserve stock, and retail floor stock. This is to ensure compliance with all existing contractual commitments, required time frames for counts, documentation of results, and prompt reporting and resolution of any discrepancies.

### 487.2 Requirements Prior to Initiating Counts

- All differences between the "Clerk Balance List" and the unit's Form 1412 must be resolved.
- All pending financial adjustments (Form 1908, *Financial Adjustment Memorandum*) that affect the accountability of the segment or credit being counted must be considered. (See chapter 5 for policy on clearing trust and suspense.)
- All pending stock transfers must be completed. (See chapter 5 for policy on clearing trust and suspense.)

### 487.3 Count of the Unit Cash Retained Reserve

- 1> The unit's cash retained reserve is to be counted at the end of each accounting period (AP). Any portions reassigned to employees on Form 3369-P must be counted at least once every 2 weeks in conjunction with the cash credit count. The count is performed by the assignee and a witness, one of whom must be a nonbargaining employee, (for finance stations see Note in section 487.41). There is no tolerance for unit cash retained reserve accountabilities or the reassigned portions.
- 2> At any time the unit cash retained reserve custodian is reassigned, a count must be performed and a new Form 3369-P prepared.

### 487.31 Discrepancies in the Unit Cash Retained Reserve

#### Overages

- >> Overages are to be placed into AIC 068, Cash Retained Overage, and submitted to the bank. Unresolved cash retained overages are removed from trust and declared as revenue (AIC123, Lobby Services Revenue) after 90 days.

#### Shortages

- >> Shortages must be reported in AIC 764, Cash Retained Shortages, on the day of the count unless paid from personal funds at the time of the count. The shortage, if not paid at the time of the count, is cleared by an entry to AIC 364, Cash Retained Shortage Cleared.

### 487.32 Documenting Count Results

- >> Form 3294-C, *Cash Credit Count and Summary*, is used for each count of unit cash retained and all results posted to Form 3368-P, *Accountability Examination Record*. Form 571, *Discrepancy of \$100 or More in Financial Responsibility*, is required for differences of \$100 or more. If a shortage is paid at the time of the count, Forms 3294-C and 3368-P should indicate "paid by personal funds." File in accordance with section 426.5.4.

### 487.4 Counts of Associate's Cash Retained Credits

#### 487.41 Frequency

- >> Each associate's cash retained credit is to be counted randomly at least once every 2 weeks (14-day period), or once every 10 scheduled days in that unit, for pool and relief SSAs (credits not used at least once an AP must be cancelled, see section 426.6). Each associate's domestic, international (MP-1 and ATI), and bait money orders must be counted in conjunction with the cash retained count (see section 487.46). If an associate has a reassigned portion of the unit cash retained reserve, it must be counted in conjunction with the associate's cash retained count. The assigned associate and a nonbargaining employee perform the count(s).

**Note:** If a nonbargaining employee is not assigned or domiciled at the retail unit, the lead SSA (associate with the unit reserve assigned) may conduct the count with the assigned associate. The postmaster, manager, or supervisor responsible for the unit manages and monitors these counts performed by the lead SSA. In addition to this, management also performs counts of all associates' cash credits at his or her unit no less than once a quarter (90 days).

#### 487.42 Tolerance

- >> Each associate is allowed a tolerance of \$5 in his or her assigned cash retained credit. If a count results in a discrepancy of \$5 or less, record the results on Forms 3294-C and 3368-P.

**487.43 Overages**

- >>** For overages exceeding the \$5 tolerance, reconcile cash credit and record the full amount of overage in AIC 068, Cash Retained Overage, at the time of the count. Cash in excess of the associate's balance listing is deposited to the bank.

**Note:** Unresolved cash retained overages are removed from trust and declared as revenue (AIC 123, Lobby Services Revenue) after 90 days.

**487.44 Shortages**

- >>** For shortages exceeding the \$5 tolerance, reconcile cash credit and record the full amount of the shortage in AIC 764, Cash Retained Shortages, at the time of the count; this decreases AIC 752. When the employee repays the shortage, clear the suspense item using AIC 364.

**487.45 Documenting Count Results**

- >>** Form 3294-C is used to document each cash retained count with signatures of employees that performed the count. Results of the counts are posted to Form 3368-P, and Form 571 is initiated for differences of \$100 or more. If a shortage is paid on the day of the count, the Form 3368-P should indicate "paid by personal funds." File in accordance with section 426.5.4.

**487.46 Inventory of Money Order Blank Stock**

Money orders issued to an employee working from the retail floor stock must be audited in conjunction with the required cash count and documented on Form 3294-C. Any discrepancies are resolved and reconciled into the POS ONE system. (For missing money orders, see section 742.3. 5.)

**487.5 Unit Reserve Count****487.51 Frequency**

- 1>** Unit reserve stock is counted at least once every 12 months or no less frequently than once every 4 months if assigned to a bargaining employee. This count is conducted in conjunction with a count of the retail floor stock at least once every 12 months. The unit reserve must be counted any time custody of the unit reserve changes, and a new Form 3369-P must be prepared. All credits held by the custodian must also be counted when the unit reserve is counted.
- 2>** Whenever the results of the retail floor stock count exceed the 1/2% threshold (over or short), the unit reserve stock count is performed concurrently.
- 3>** The unit reserve custodian and another employee perform the unit reserve stock count; one of these must be a nonbargaining employee.
- 4>** Prior to beginning a count, confirm that the total of unit reserve stock and all the SSA credits (segments) equal AIC 853 on the last closed unit Form 1412. Differences must be identified and corrected prior to performing the count (i.e., reconciling stock in-transit).



- 5> All counts are based on the actual value of the unit reserve stock as shown on system generated reports. Differences are placed in either trust or suspense and attributed to the individual stock custodian.
- 6> All counts of the unit reserve must be posted in the POS ONE Post Audit/Audit Report Count Sheet or the IRT inventory adjustment process, as applicable.

#### 487.52 **Tolerance Amount in Unit Reserve**

Tolerance is applied during the required count of the unit reserve stamp stock. The amount of tolerance applied is according to the stamp credit amount chart in section 429.16 and not to exceed \$150. The unit reserve stock custodian is accountable and responsible for the total amount of shortage if it exceeds the tolerance amount. Whenever the unit reserve stock is cancelled or transferred, no tolerance is applied and; therefore, the employee is accountable and responsible for the total amount of shortage.

#### 487.53 **Count and Adjustment Procedures**

- 1> When counting the unit reserve stock, two independent counts are performed. The stock custodian and one other employee conduct the counts. One of them must be a nonbargaining employee.
- 2> Adjust the unit reserve inventory in the POS ONE Reconciliation/Stock Audit Module on the day of the count. In IRT/POS ONE, count results exceeding the tolerance are posted to trust or suspense on the day of the count.

#### **Overages**

- >> Any overages exceeding the tolerance, discovered as a result of the unit reserve count, are entered into AIC 057, Employee Overage. Unresolved overages remain in trust for 1 year and then are purged to AIC 123, Lobby Services Revenue.

#### **Shortages**

- >> Any shortages exceeding the tolerance, discovered as a result of the unit reserve count, are entered into AIC 767, Employee Shortage. Shortages should be resolved as soon as possible. In collecting a shortage from the assigned unit reserve custodian, all contractual provisions must be followed.

#### 487.54 **Inventory of Blank Money Order Sets**

- >> An inventory of the unit's blank money order stock is conducted every time the unit reserve is counted.

#### 487.55 **Documenting Unit Reserve Count Results**

- >> Form 3294-P is used to document counts of the unit reserve stock, and all results are posted to Form 3368-P. Form 571 is required for differences of \$100 or more. File in accordance with section 426.5.4.



**487.6 Counting Retail Floor Stock****487.61 Responsibility**

The postmaster/manager or supervisor has the responsibility for the required count of the retail floor stock and the maintenance of the inventory levels in accordance with section 484.2. When the floor stock is counted, this represents a count of the common inventory used by retail associates including display stock and loose stock.

**Note:** There is no tolerance applied for retail floor stock counts.

**487.62 Threshold**

**>>** The goal in operating a retail floor stock is to maintain a threshold within 1/2 percent variance (over or short) of total sales since last count. Total sales are computed by calculating the total amount reported on the unit's Form 1412 in AIC 852, minus AIC 094 and AIC 096, since the last count.

**487.63 Frequency**

**>>** The frequency of audits is contingent upon maintaining an inventory variance (over or short) at 1/2 percent or less. Retail units are required to count each AP until they achieve three consecutive counts within the 1/2 percent threshold. At that time, counts are required at least once every three APs as long as the threshold is maintained within the 1/2 percent limit. If the counts from the three APs result in a variance in excess of the 1/2 percent threshold, the count frequency reverts to the AP requirement. When the 1/2 percent threshold is achieved on three consecutive AP counts, the office returns to once every three APs count cycle.

**Note:** If results of the floor stock count exceed the 1/2 percent threshold (over or short), the unit reserve stock count is performed concurrently.

**487.64 Procedures**

The retail floor stock inventory of the unit is counted separately by two employees. One of the participants must be the postmaster/manager or supervisor responsible for the unit. Use the following procedures:

Floor stock counts should not be performed during business hours.

**POS ONE Offices**

- 1>** Use Form 3294-P to record the opening balance of the retail floor stock.
- 2>** Perform the physical count of the retail floor stock including display stock and loose stock.
- 3>** Reconcile the retail floor stock, and verify that adjustments are posted to the corresponding AIC/GLA accounts. No tolerance is applied.
- 4>** Print the reconciled/final audit report, and attach to Form 3294-P.

- 5> Record the amounts in the corresponding section on page 4 of Form 3294-P.
- 6> Signatures of employees that performed the count are required on the bottom of page 4 on Form 3294-P.

**Note:** Do not include packaging products or retail products in this count.

#### **Postal Retail Stores with IRTs**

- 1> Use Form 3294-P to record the opening balance of the retail floor stock.
- 2> Print "Clerk Balance List" to calculate the amounts that represent the retail floor stock, as opening balance, prior to the count.
- 3> Perform the physical count of the retail floor stock including display stock and loose stock.
- 4> Use Form 3294-P, pages 2 and 3, to record the retail floor stock as counted.
- 5> Balance to the actual value of the retail floor stock, calculate the difference, and enter amounts in the corresponding sections on page 4 of Form 3294-P.
- 6> Record amount of overage or shortage to the corresponding AIC account, no tolerance will be applied.
- 7> Signatures of employees that performed the count are required on the bottom of page 4 on Form 3294-P.

**Note:** Do not include packaging products or retail products in this count..

#### **Overages**

- 1> The floor stock count must be entered into the POS ONE Inventory Reconciliation/Stock Audit module, and the overage amount is recorded to AIC 239, Floor Stock Overage.
- 2> In retail Postal Service stores with IRTs, overage amount discovered as a result of the floor stock count must be recorded to AIC/GLA 239, Floor Stock Overage.

#### **Shortages**

- 1> The floor stock count must be entered into the POS ONE Inventory Reconciliation/Stock Audit module, and the shortage amount is recorded to AIC 639, Floor Stock Shortage.
- 2> In retail Postal Service stores with IRTs, the shortage amount discovered as a result of the floor stock count must be recorded to AIC/GLA 639, Floor Stock Shortage.

**Note:** There is no tolerance applied to the floor stock count; therefore, all discrepancy amounts must be recorded to the corresponding AIC/GLA account.

- 3> The postmaster/manager or supervisor follows these procedures:

If...	Then...
The shortage is a result of robbery or burglary.	Submit a claim for loss to DAO after the Postal Inspection Service has ascertained the amount involved in the burglary or theft, and record amount to AIC 639. The DAO removes from AIC 639 and records amount into suspense on the same reporting date. Upon receipt of Investigative Memorandum from Postal Inspection Service, DAO removes amount from suspense and records to AIC 519. See section 846.

#### 487.65 Documenting Retail Floor Stock Count Results

- 1> Record retail floor stock count results in Form 3368-P, *Accountability Examination Record*.
- 2> File Form 3294-P with attached POS ONE reconciled/final audit report locally.
- 3> Prepare Form 571 for all differences of \$100 or more, and send to the Postal Inspection Service.
- 4> Keep copy of electronic article surveillance (EAS) log locally.

**Note:** File in accordance with section 426.5.4.

#### 487.66 Reviewing and Adjusting Stock Levels

- >> Excessive stock in the retail floor stock segment increases the risk of losses. The stock levels must be strictly maintained within the 2-week sales level defined in section 484. The goal is to avoid excessive overages and shortages.

#### 487.7 Counts of All Other Accountability Segments

- 1> Other accountability segments, outlined in section 484.2, are individually accountable stamp stock and cash credits assigned. Counts of accountability segments are in compliance with section 429, *Conducting Examinations*.
- 2> Frequency of counts for bargaining employees should be no less frequent than once every 4 months.
- 3> When the unit reserve stock is assigned to a nonbargaining employee, all accountable credits assigned to him/her (i.e., cash credit, stamp stock credit, unit cash retained, vending machine credit) are counted in conjunction with the unit reserve stock. This begins a new cycle for the required "count frequencies" for the unit cash reserve and the vending machine credit (unit cash reserve every AP and vending machine credit every 4 months).

- 4> In POS ONE offices, which require separation of cash and stock, refer to the *POS ONE Users Guide* for instructions on entering or reconciling counts in the POS ONE system.
- 5> Blank money order stock assigned to an accountable segment SSA, must be audited each time the count for that segment is performed. (See section 487.46)

#### 487.8 SIA Accountability Counts Chart

Accountability	Tolerance	Frequency	Over	Short
<b>*Unit Reserve Stock</b>	see chart in:			
Bargaining	Section 429.16	4 months	AIC 057	AIC 767
Nonbargaining	Section 429.16	12 months	AIC 057	AIC 767
<b>Unit Cash Reserve</b>				
Bargaining	\$0.00	2 weeks	AIC 068	AIC 764
Nonbargaining	\$0.00	AP	AIC 068	AIC 764
<b>Cash Retained Credit</b>	\$5.00	2 weeks	AIC 068	AIC 764
<b>Segments</b>				
Bargaining	section 429.16	4 months	AIC 057	AIC 767
Nonbargaining	\$0.0	Conjunction U/R	AIC 057	AIC 767
<b>Floor Stock</b>				
Difference > 1/2 % sales	\$0.00	Every AP	AIC 239	AIC 639
Difference < 1/2 % sales	\$0.00	Every 3 APs	AIC 239	AIC 639
<b>Money Orders</b>				
Floor Stock Associates	N/A	2 weeks	N/A	N/A
Accountable Segments	N/A	4 months	N/A	N/A
Unit Inventory	N/A	Conjunction U/R	N/A	N/A
<b>Self-Service Vending Credit</b>	\$0.0	4 months	AIC 175	AIC 612

\*See section 487.51.2



**Form 3295 (Reverse), Daily Record of Stamps, Stamped Paper and Nonpostal Stamps on Hand**

Handbook F-1, November 1996  
Updated With Postal Bulletin Revisions Through November 15, 2001

Exhibit 417b

## Form 3958, Main Stock (or Unit Reserve Stock) Transaction Record

UNITED STATES POSTAL SERVICE®		Main Stock (or Unit Reserve Stock) Transaction Record			Date of Transaction
<b>Instructions:</b> Use along with the national or state day. - Save original to national pooling form 155. - Accountbook for 6455 A.J.I. or 1572 A. Accountbook for 6455 A.J.I. or until Form 155-2-2-2. Daily Customer Form, or 14-2-2. Daily Customer Form. Retain copy.					
Stock Action	Bird	Postage	Feed Coupon		
1. Opening Balance (Previous Form 3958 closing balance.)					
2. Stock Received (For Supply)					
3. Stock Received (For Supply)					
4. Stock Received (For Supply)					
5. Stock Received (For Supply)					
6. To Be Accounted For (Loss / Damage)					
7. Stock Destroyed (Form 3958, Section 10)					
8. Stock Shipped to Other Office (Main Stock Only)					
9. Returned to Main Stock (Main Stock Only)					
10. Return (Check the position in Field)					
11. Current Stock Loss (Main Stock Only)					
12					
13					
14. Total Reduction in Availability (Loss / Throughput)					
15. CLOSING BALANCE (Main Stock Only)					
Total Column				Signature of Customer	
32 Form 3958B, January 1994					

Exhibit 417c

**Form 3959, Daily Recap — Stamp Stock Transactions**

DAILY RECAP—STAMP STOCK TRANSACTIONS				
Descriptions	Blind	Postage	Food Coupon	Name of Transactor
1. Opening Inventory Account Book (Previous Form 3959 Ending Inventory)				
2. Stock Received				
3.				
4. Total To Be Accounted For (Lines 1 Through 3)				
5. Stock Destroyed or Returned to Suppliers				
6. Claim for Stock Loss				
7. Shipped to Other Offices				
8. Stamped Envelope Discount				
9.				
10. Food Coupons Issued				
11. Sales				
12. Total Reductions to Accountability (Lines 5 Through 11)				
13. Ending Inventory—Post to Account Book (Line 4 Minus Line 12)				

PS Form 3959, November 1987



Exhibit 423.1

**Form 3309, Advice of Shipment/Stamp Invoice**

STAMP DISTRIBUTION OFFICE  
UNITED STATES POSTAL SERVICE

First-Class Mail  
Postage & Fees Paid  
U.S.P.S.  
Permit No. 3-10

**Advice of Shipment / Stamp Invoice**

Item Number	Quantity	Dollar Value	Date Shipped	Date Received
-------------	----------	--------------	--------------	---------------

This invoice covers an annually dated, basic or commemorative or special issue stamp.

- 1) User must verify the stamp issue and record the dollar value in your account book.
- 2) Retain this invoice until the next inspection of your office.

Signature of  
Receiving Employee

Signature of  
Witness (if any)

PS Form 3309, February 1994

## Exhibit 423.21

### Form 17, Stamp Requisition

[illegible]

Exhibit 423.4 (p. 1)

**Stamps and Stationery — Ordering Quantities****Bulk Ordering Quantities From Suppliers (Minimums and Maximums)**

All requisitions submitted to bulk suppliers must identify items by the official six-digit item number previously listed. Be sure to use the correct form for bulk suppliers: BEP, PS Form 3356, *Stamp Requisition — Bulk Quantities*; GPO, PS Form 3216, *Requisition for Postal Cards — Bulk Quantities*; PFSC, PS Form 3205, *Requisition for Plain Stamped Envelopes*.

**Sheet Stamps**

Stamps Per Pane	Type	Order Multiples	Maximum per Requisition
100	First-Class Mail letter rate	50,000; 100,000; 150,000; 200,000 master carton = 250,000	10,000,000
	Definitive (gummed)	50,000; 100,000; 150,000; 200,000 master carton = 250,000	2,500,000
50	Commemorative and special issue (gummed)	25,000; 50,000; 75,000; 100,000 master carton = 125,000	5,000,000
	Airmail (down-size, gummed)	25,000; 50,000; 75,000; 100,000 master carton = 150,000	1,050,000
	Special issue (down-size, gummed)	25,000; 50,000; 75,000; 100,000 master carton = 150,000	6,000,000
	Definitive (PSA)	25,000; 50,000; 75,000 master carton = 110,000	2,530,000
20	Commemorative (gummed)	10,000; 20,000; 30,000; 40,000 master carton = 70,000	2,800,000
	Definitive (gummed)	20,000; 40,000; 60,000; 80,000 master carton = 100,000	200,000
	Definitive (commemorative size, gummed)	10,000; 20,000; 30,000; 40,000 master carton = 70,000	140,000
	Migratory Bird (gummed)	2,000; 4,000; 6,000; 8,000; 16,000; 24,000; 32,000 master carton = 48,000	240,000
1	Migratory Bird (PSA)	200; 300; 400; 1,000; 2,000; 3,000; 4,000 master carton = 8,400	44,000

**Coils**

Stamps Per Coil	Type	Order Multiples	Maximum per Requisition
100	All	400; master carton = 800	72,000
500	First-Class Mail letter rate (gummed)	200; master carton = 400	10,000
	All other definitive (gummed)	200; master carton = 400	2,000
	All precanceled (gummed)	200; master carton = 400	2,000
3,000	First-Class Mail letter rate (gummed)	32; master carton = 64	768
	All other definitive (gummed)	32; master carton = 64	320
	All precanceled (gummed)	32; master carton = 64	768
	All (PSA)	10; master carton = 20	480
10,000	All (gummed)	10; master carton = 20	240
	All (PSA)	5; master carton = 10	240

Exhibit 423.4 (p. 2)

**Stamps and Stationery — Ordering Quantities****Books**

Books	Type	Order Multiples	Maximum per Requisition
10 and 20	Definitive (gummed and PSA)	1,500; 3,000; master carton = 4,500	270,000
20	Commemorative (gummed and PSA)	1,500; 3,000; master carton = 4,500	135,000

**Aerogrammes**

Aerogrammes	Type	Order Multiples	Maximum per Requisition
	All	2,000; master carton = 5,000	1,000,000

**Domestic Stamped Cards**

Stamped Card Format	Type	Order Multiples	Maximum per Requisition
Single cut	Regular	Master carton = 5,000	500,000
Double reply	Regular	Master carton = 2,000	500,000
Banded, single	Regular (vending only)	Master carton = 2,000	50,000
Sheet of 40	Regular	Master carton = 10,000	2,500,000

**International Stamped Cards**

Stamped Card Format	Type	Order Multiples	Maximum per Requisition
Single cut	All	1,000; 2,000; master carton = 5,000	25,000

**Envelopes**

Envelopes	Type	Order Multiples	Maximum per Requisition
6 3/4"	Regular and Window	500; 1,000; 2,500; master carton = 5,000	2,500,000
9" and 10"	Regular and Window	500; 1,000; master carton = 2,500	2,500,000
6 3/4" banded	Regular Banded	1,000; 2,500; master carton = 5,000	2,500,000
10" banded	Regular Banded	1,000; master carton = 2,500	2,500,000

**Money Orders**

Money Orders	Denomination	Order Multiples	Maximum per Requisition
Blocks of 100	\$700 — Regular domestic	1,000; master carton = 5,000	No maximum
	\$0.00 — International (ATI/MP1)	1,000; master carton = 5,000	No maximum
	\$700 — POS 1 domestic	Master carton = 2,500	No maximum
	\$0.00 — POS 1 International (ATI/MP1)	Master carton = 2,500	No maximum

**International Reply Coupons**

Int'l. Reply Coupons	Denomination	Order Multiples	Maximum per Requisition
Blocks of 100	\$1.05 International Reply Coupons (IRCs)	100; 200; 300; 400; 500; 600; 700; 800; 900; 1,000; 2,000; 3,000; 4,000; 5,000; 10,000	No maximum

Exhibit 423.4 (p. 3)

**Stamps and Stationery — Ordering Quantities****Less Than Bulk Ordering Quantities for Post Offices From Stamp Distribution Offices (SDOs) and Stamp Services Centers (SSCs)  
(Minimums and Maximums)**

All requisitions submitted to SDOs must identify items by the official six-digit item numbers previously listed.  
PS Form 17, *Stamp Requisition*, is used for orders to SDOs/SSCs.

<b>Stamps Per Pane</b>	<b>Type or Denomination</b>	<b>Minimum Qty. (Stamps)</b>	<b>Maximum Qty. (Stamps)</b>
100	Regular 1-cent to the First-Class Mail rate	100	As needed
100	Over the First-Class Mail rate to 99 cents	100	As needed
50	Airmail — all	50	As needed
50	Commemorative First-Class Mail rate	50	As needed
40	Commemorative First-Class Mail rate	40	As needed
20	Commemorative First-Class Mail rate	20	As needed
20	\$1 to \$2	20	As needed
20	\$5	5	As needed
20	Priority Mail/Express Mail	5	As needed
30	Migratory Bird Hunting and Conservation	5	As needed
1	Migratory Bird Hunting and Conservation	1	As needed

<b>Books</b>		<b>(Books)</b>	<b>(Books)</b>
10 and 20	First-Class Mail rate	25	As needed
10 and 20	Vending — Criss-cross package	300	As needed

<b>Coils</b>		<b>(Coils)</b>	<b>(Coils)</b>
100	First-Class Mail rate	5	300
100	All others	1	300
500	All	1	150
3,000	All	1	24
10,000	All	1	As needed

<b>Stamped Cards</b>		<b>(Cards)</b>	<b>(Cards)</b>
Domestic	Single Cut	50	4,500
	Double Reply	50	1,500
	Sheet	40	As needed
International	All	50	500

Exhibit 423.4 (p. 4)

**Stamps and Stationery — Ordering Quantities**


<b>Plain Stamped Envelopes</b>	<b>Type or Denomination</b>	<b>Minimum Qty. (Envelopes)</b>	<b>Maximum Qty. (Envelopes)</b>
Regular	Boxes of 500 in:	Multiples of 100	1,000
#6 3/4	carton of 5,000		
#9	carton of 2,500		
#10	carton of 2,500		
Window	Boxes of 500 in:	Multiples of 100	1,000
#6 3/4	carton of 5,000		
#9	carton of 2,500		
#10	carton of 2,500		
<b>Aerogrammes</b>	All	10	1,500
<b>International Reply Coupons</b>	All	10	As needed
<b>Stamp Yearbook (Mint Set)</b>	All	1	As needed
<b>USPS Guide to US Stamps</b>	All	1	As needed
<b>Money Orders (Regular and POS 1)</b>	Domestic	100	As needed
	International	1	As needed

**Notes (The following pertain to the Less Than Bulk Ordering Procedures only):**

1. All CAG A–L post offices must requisition postage stock in no less than the minimum quantities shown.
2. Authorized CAG A–G post offices needing more than the maximum quantities should refer to the preceding chart, “Stamps and Stationery — Bulk Ordering Quantities From Suppliers,” and order from the appropriate source.
3. Standard Field Accounting Procedures (SFAP) offices must adhere to the minimum ordering quantity listed above, but an SFAP office may order as needed with no maximum limits.
4. Stamp services center (SSC) post offices must adhere to the minimum ordering quantity listed above, but an office requisitioning from an SSC may order as needed with no maximum limits.

Exhibit 423.72

**Form 8144, Stamp Discrepancy Report**

	<h2 style="margin: 0;">Stamp Discrepancy Report</h2>	Date Reported: _____																																																																		
<b>Instructions</b>  Report ALL errors in irregularities on this form: 1. Separable at Bureau of Engraving and Printing, Government Printing Office, and private contractors irregularities (shortages, overages, and defects). 2. Use a separate form for each continuous irregularity. 3. Use a separate line for each flag, cube, postmark, or cancellation sheet. 4. Verify stamp's basic identification number (refer to the last four digits of the ZIP code assigned on the back of the booklet cover). 5. Mail completed form to: QUALITY ASSURANCE MANAGER, STAMP ACQUISITION US POSTAL SERVICE 475 LARKMAN PLAZA SW WASHINGTON DC 20506-2436																																																																				
Post Office (City, State, and ZIP Code): _____		Postmark Number (include Area Code): _____																																																																		
Reporter's Signature: _____		Witness's Signature: _____																																																																		
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Address of Shipment Date</th> <th rowspan="2">Registry Number</th> <th rowspan="2">Item No.</th> <th rowspan="2">Value and Description</th> <th rowspan="2">Facking Code (Flag)</th> <th colspan="3">Enter Quantity in Appropriate Column</th> <th rowspan="2">Supplier Name</th> </tr> <tr> <th>Shortage</th> <th>Overage</th> <th>Unk'd Description</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>			Address of Shipment Date	Registry Number	Item No.	Value and Description	Facking Code (Flag)	Enter Quantity in Appropriate Column			Supplier Name	Shortage	Overage	Unk'd Description																																																						
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PS Form 8144, June 1996 <span style="float: right;">(Previous editions of this form are obsolete)</span>																																																																				

# 5 Trust, Suspense, and Audit Differences

This chapter explains the differences between trust funds and suspense items and their proper use in daily accounting activities. It tells you how to manage, report, and resolve audit differences or adjustments using trust and suspense. Trust is a liability account for which the USPS may owe service to a customer, or it represents an amount for which a future claim can be made for the funds on deposit. Suspense is an account receivable to the USPS that represents funds owed by either a customer, an employee, or an account. Trust and suspense items are used to correct differences in financial reports. This chapter covers:

Section 51	Trust Funds
Section 52	Suspense Items
Section 53	Statement of Difference

## 51 Trust Funds

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### 511 Types of Trust funds

#### 511.1 Advance Deposit for Service

Trust funds are composed largely of advance deposits for permit imprint, periodicals, business reply, postage due, and Express Mail accounts. The USPS maintains separate accounts for each service by customer. These types of accounts are commonly referred to as master trust fund accounts. The customer deposits funds into an individual account and the USPS withdraws the funds when payment for postage and fees is incurred. If funds are not on account, the customer is required to pay at the time of mailing.

The centralized automated payment system (CAPS) allows major customers who use multiple advance deposit trust accounts to deposit funds via electronic funds transfer into a single centralized bank account.



### 511.2 Accumulated Funds

Funds are received from the customers at the time of delivery for customs and collect on delivery (COD). Customs and CODs are not identified by customer name. These accumulated funds are withdrawn later for disposition of payments.

### 511.3 Collections Awaiting Claim

The funds may be bank deposit, money order, and stamp credit overages, financial adjustments to the accountbook, or simply miscellaneous amounts such as monies found loose in the mail. These types of accounts are referred to as Detailed Trust Funds, and each entry must specifically identify the individual or reason for the funds.

District accounting offices may *offset* Form 1412 overages of \$25 and less directly to AIC 306, Unidentified Difference Over. This applies to overages discovered on Form 1412 at the DAO. These overages are not entered to trust. They are written off directly to AIC 306 at the DAO.

District accounting offices may *clear* Form 1412 overages of \$25 and less with an offset to AIC 306. This applies to overages entered to Form 1412 at the retail unit. These adjustments are entered to trust by the retail unit. They are cleared from trust by the DAO and offset to AIC 306.

## 512 Controlling Advance Deposits

- 1> Control advance deposits through the use of Forms 1412, Forms 3083, individual account forms, and the related forms affecting the specific revenue category.
- 2> In post offices with a mail classification automated system, such as the permit system, that provide computation and individual customer account record keeping, do not transfer data to the Postal Service forms in this part.

**Note:** The district accounting office uses the standard field accounting system (SFAS)/permit interface. This system automatically transfers the Form 3083 data from permit to its own Form 1412 in the SFAS.

### 512.1 Accepting Fund Deposits

- 1> Offset each deposit made by the customer by an increase to cash remitted. The tables below show how each type of office must distribute receipts and record trust entries:

#### Non-IRT

Receipt	Disposition	Where
Form 3544	Original	Customer
	Duplicate	Support to Form 1412
	TriPLICATE	Unit maintaining accounts

**IRT**

Receipt	Disposition	Where
Form 3544	Original	Customer
	Duplicate	Unit maintaining accounts
	Unit list	Support to Form 1412

**Unit Maintaining Accounts**

Deposit	Type of Account	Form to Use
Post the amount of deposit	Permit imprint	3609, <i>Record of Permit Imprint Mailings</i>
	Periodicals	3543, <i>Record of Periodicals Postage</i>
	Business reply	25, <i>Trust Fund Account</i>
	Postage due	25
	Express Mail	25

**Note:** The above table does not apply to offices on an automated system.

- 2> Where volume warrants, use the appropriate form as a summary for each type of customer account.
- 3> Enter each deposit and usage made by a permit imprint or periodicals mail customer to Forms 3609 or 3543 and calculate a balance. If the customer pays the exact amount at the time of mailing, the balance may be zero. Record the entries.

512.2 **Handling Withdrawals From Trust**

When a customer brings mail to the bulk acceptance unit with a statement of mailing, the acceptance clerk must do the following:

- 1> Verify the mailing statement.
- 2> Initiate a Form 3607, *Weighing and Dispatch Certificate*, to accompany the mailing to mail processing.
- 3> Compute and enter the total to Form 3609 or 3543.

Business reply and postage due mail must be rated, and Form 3582-A, *Postage-Due Bill*, or Form 3582-C, *Postage-Due Invoice*, must be initiated to inform the customer of the amount of funds being withdrawn from the appropriate account.

512.3 **Replenishing Advance Deposit Accounts**

- >> When an advance deposit account requires replenishment, notify the customer.

### 512.4 Reporting Trust Fund Activity

Each unit maintaining individual customer accounts must report activity for all accounts on Form 3083, *Trust Accounts Receipts and Withdrawals* ([Exhibit 512.4](#)).

- 1> Prepare the Form 3083 daily at the close of business.
- 2> Copy the closing balance from the previous Form 3083 as the opening balance.
- 3> Enter the total deposit amount from Form 3544, and the total for the particular category of advance deposit received.
- 4> Compute the total to be accounted for.
- 5> Enter the total of all mailing statements, or Forms 3582-A and C, to the withdrawals from advance deposits.
- 6> Compute the closing balance.

You must separate the withdrawal forms by account identifier code (AIC) category and submit them to the accountbook unit with the Form 3083.

**Note:** Standard field accounting procedures (SFAP) units submit only Form 3083.

### 512.5 Verifying the Balance — Accountbook Unit

- 1> Verify the opening balance to the closing balance of the previous Form 3083 or the summary form maintained for the particular category of advance deposit.
- 2> Match duplicate Forms 3544 to the advance deposits recorded as received on Form 3083. Call the unit to identify any differences, which may be attributable to an intransit or lost Form 3544 triplicate.
- 3> Enter the total amount of the *Statements of Mailing*, Forms 3582-A or C, to the proper summary form. Compute the balance.

## 513 Other Trust Account Control

### 513.1 Controlling Accumulated Funds

Units accumulating customs collections and COD mail for subsequent remittance must do the following:

- 1> Maintain a Form 25, *Trust Fund Account* ([Exhibit 513.1](#)), for each category.
- 2> Verify funds are collected from Forms 3419-A, *Customs*, and Forms 3822, *Collect on Delivery*.
- 3> Reduce these categories to zero when paid: customs fees each accounting period, and COD funds the next business day.

### 513.2 Controlling Collections Awaiting Claim (Detailed Trust)

Units maintaining overages (bank, employee, money order), unique balances (awaiting statement of differences, first day cover), and miscellaneous balances must maintain a Form 25.

### 514 Clearing Trust Items

>> Use the guidelines below for trust item clearance whenever possible.

**Note:** Trust items cannot be cleared expeditiously in every case. However, you must not ignore any item.

Type of Item	Item	Accounting Entry
Advance deposit for service (master trust)	Periodicals	Withdraw from trust using AIC 451 and offset with revenue AIC. Record activity on Form 3543.
	Business Reply Mail with postage due	Withdraw from trust using AIC 453 and offset with postage meter, PVI, or stamps. Record activity on Form 3582-A.
	Permits	Withdraw from trust using AIC 452 and offset with revenue AIC. Record activity on Form 3609.
Accumulated funds (master trust)	CODs	Withdraw from trust using AIC 450 and offset with money order(s) payable to sender.
	Customs	Withdraw from trust using AIC 454 and offset payment to U.S. Customs. Support with Customs Form 3419-A.
Collections awaiting claim (itemized funds)	Bank deposit overages	Withdraw from trust using AIC 469 by appropriate employee.
	Stamp credits	Withdraw from trust after one year unless identified to a suspense item.
	Cash retained (Postal Stores, Unit Accountability, and Segmented Inventory Accountability)	Withdraw from trust at the end of three-month period and place in AIC 126.
	Financial adjustments	Clear Form 1908 by appropriate employee on the next business day.

## 515 Master Record

### 515.1 Daily Maintenance

The accountbook unit must maintain a master control Form 25 for each category.

- >>** Enter the daily total of all the deposits and withdrawals from each category of advance deposit or trust fund summary ledger to this Form 25. From this ledger the entries to AIC 080 and 480 for the accountbook are derived daily.

### 515.2 Verifying Totals

- 1>** In each unit, add the balances from each customer ledger sheet to verify the total on the summary ledger.
- 2>** Send the totals by category to the accountbook unit with Form 3083 at the close of business on the last day of the AP.

## 52 Suspense Items

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Suspense items are defined as stamp credits, money orders, banking shortages, travel and salary advances, external and internal audit discrepancies, revenue deficiencies, Form 1412 differences, and miscellaneous cash items. Units must report the totals in AIC 814 at the accountbook level. Records for suspense are maintained at the accountbook unit.

This section describes how to report the different types of suspense, when to use suspense for adjustment purposes, and what forms to use when reporting activity and maintaining control.

### 521 Maintaining Suspense at the Form 1412 Level

#### 521.1 Non IRT Offices

- 1>** Use AIC 814 to report suspense entries in the disbursement side of the daily Form 1412 and the accountbook.
- 2>** To clear suspense, report AIC 814 in the receipt side of the daily Form 1412, but make a reduction only to AIC 814 in the analysis section of the accountbook.

#### 521.2 IRT Offices

- 1>** Use AICs 754–770, except for AIC 762, to report suspense items on the Form 1412. AIC 814 is a roll-up of all sub-AICs for the accountbook entry.
- 2>** Use AICs 354–370 to clear suspense items of Form 1412.

**Example:** Enter a salary advance for \$100.00 as AIC 754 on the Form 1412 or the IRT. When you collect the salary advance, clear the suspense item by using AIC 354 on the Form 1412.

## 522 Controlling Suspense at the Accountbook Level

- >> Use AIC 814, the controlled account for suspense in the accountbook and statement of account (SOA) to report suspense balance.

AICs 754–770 increase AIC 814 at the accountbook level. AICs 354–370 decrease AIC 814 at the accountbook level.

## 523 Controlling Suspense Items Internally

### 523.1 For Non-SFAP Units

- 1> Maintain a master suspense on Form 25.
- 2> Record increases and decreases on the form to calculate the ending balance.
- 3> Compare and verify the balance to AIC 814 in the accountbook daily.

The accountbook unit uses Form 1556, *Suspense Items Support Information* ([Exhibit 523.1](#)), to identify each suspense item in sufficient detail to provide an audit trail for reporting purposes. The total of all individual Forms 25 by type must equal the Form 1556 master record and AIC 814.

### 523.2 For SFAP Units

The district accounting office (DAO) maintains the individual records for each suspense entry for offices reporting under SFAP procedures.

- >> Use the trust and suspense system (TASS) worksheet to make entries or to clear suspense items at the local Form 1412 level. Sufficient information must be noted to identify the individual or the exact reason for the suspense entry.

## 524 Maintaining Form 1556

### 524.1 For Non-SFAP Units

- 1> Maintain a Form 1556 to list each individual suspense item outstanding on the last business day of a postal quarter (PQ).
- 2> In chronological order, fill in the original date entered to suspense, a brief description, action taken to clear, and amount.
- 3> Submit the original as support for the entry to AIC 814 on the statement of account at the end of the PQ to the DAO. Retain the duplicate as support for the office copy of the SOA.

## 524.2 For SFAP Units

The DAO maintains the Form 1556 for all SFAP units. Within the SFAS, all suspense items are identified by unit number, AIC, description, and amount in the TASS module.

The SFAS generates a Form 1556 with all information required in date order by AIC.

## 525 Clearing Suspense Items

**>>** Use the guidelines below for clearing suspense items whenever possible.

**Note:** Suspense items cannot be cleared expeditiously in every case. However, you must not ignore any item.

Type of Items	Item	Time Limit or Other Instructions/Requirement
Advances	Salary	Must be collected no later than receipt of check containing the adjustment.
	Travel	Must be collected no later than receipt of the reimbursement check.
Shortages	Stamp credit	Collect upon resolution.
	Banking	Must be cleared when the unit collects from the responsible employee, clears the amount due for a nonsufficient funds (NSF) check, sends the NSF check to CSC for collection, or provides support that the item is uncollectible (claim for loss).
Audit differences	External	The ASC issues statement of differences for these discrepancies. They should not be carried in suspense beyond 30 days unless the DAO directs it.
	Internal	These discrepancies (not to be confused with revenue deficiencies) are those discovered at the post office, usually by an inspector. They are limited to 30 days unless otherwise directed by the DAO.
Revenue deficiencies	Revenue deficiencies	Management Instruction DM-140-89-2, Revenue Deficiency, governs the length of time you may carry deficiencies.

Type of Items	Item	Time Limit or Other Instructions/Requirement
Form 1412 differences	Item reported on Form 1908	Clear by entry to a subsequent Form 1412 by the responsible employee.
Miscellaneous	Suspense items classified as such	Should be held for no longer than 30 days before requesting assistance from the district.

## 526 Applying Tolerances

### 526.1 Banking

#### Shortages

- >> District accounting offices may clear banking shortages of \$25 or less with an offset to AIC 406, Unidentified Difference Short, when responsibility for the shortage cannot be determined.

#### Overages

- >> District accounting offices may clear banking overages of \$25 or less and offset to AIC 306, Unidentified Difference Over, when responsibility for the overage cannot be determined.

### 526.2 Miscellaneous

#### Clearing Form 1412 Shortages

- >> District accounting offices may *clear* Form 1412 shortages of \$25 and less with an offset to AIC 406, Unidentified Difference Short. This applies to shortages entered to Form 1412 at the retail unit. These adjustments are entered to suspense by the retail unit. They are cleared from suspense by the DAO and offset to AIC 406.

#### Offsetting Form 1412 Shortages

- >> District accounting offices may *offset* Form 1412 shortages of \$25 or less directly to AIC 406. This applies to shortages discovered on Form 1412 at the DAO. These adjustments are not entered to suspense. They are written off directly to AIC 406 at the DAO.

### 526.3 Stamps-by-Mail

District accounting offices (DAOs) may clear 1412 suspense items for stamps-by-mail losses of \$25 or less with an offset to AIC 406, Tolerance Difference Short. This suspense applies to stamps-by-mail losses as reported by retail units. These suspense item amounts must be supported by Form 1510, *Mail Loss/Rifling Report*. These items are written off directly to AIC 406 by the DAO.



**526.31 Recovered Stamps-by-Mail Stock — Retail Unit**

The stamps-by-mail clerk must record recovered stamps-by-mail stock into the inventory. The retail clerk records the amount into AIC 057, Employee Overage (offset with a minus to AIC 090). The unit's 1412 will reflect this adjustment.

**526.32 Recovered Stamps-by-Mail Stock Value — District Accounting Office**

The DAO reduces AIC 057 with AIC 457 for the amount of the recovered stamps-by-mail value and offsets the amount to AIC 306, Tolerance Difference Short. This action adjusts the account previously affected when the loss occurred.

**527 Monitoring Suspense****527.1 District Accounting Office**

The district accounting office is responsible for monitoring all Forms 1556 from all statement of account offices within the district.

- 1>** Compare the total on Form 1556 with the total in AIC 814 on the statement of account.
- 2>** Review the Forms 1556 and resolve outstanding items with the individual office.
- 3>** Submit semi-annual district summary suspense report to the area finance office.

**527.2 Area Finance Office**

- 1>** Consolidate the district summary suspense reports.
- 2>** Submit summary of suspense data to post office accounting, Headquarters.

## 53 Statement of Difference

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The statement of account is audited by the Minneapolis Accounting Service Center (MNASC). When information from the SOA is matched against information obtained from internal and/or external sources, differences may arise. The various internal and external sources include stamp stock shipments, banking, debit or credit cards, money order differences, and centralized trust activity. If not already discovered by the post office, resolution will be initiated by the MNASC.

### 531 Responsibilities

#### 531.1 Minneapolis Accounting Service Center

The MNASC is responsible for auditing the statements of account and issuing statements of differences for discrepancies.

#### 531.2 Statement of Account Office — Postmaster

The postmaster must enter the audit difference to the accountbook as directed by the MNASC. These entries can be offset with entries to trust or suspense until resolution is made.

#### 531.3 District Accounting Office

The supervisor of accounting is responsible for monitoring the resolution and timely entries of the statement of differences (SOD) issued to the post offices on their statement of accounts within the district. SFAP offices will not receive statements of differences directly from the MNASC. The DAO will resolve any differences received for SFAP units.

## 532 Making Corrections

When you receive a statement of differences from the ASC, you should do the following:

- 1> Postmark the printout immediately.
- 2> Make the directed entries to the manual or unit Form 1412 and post the accountbook.
- 3> Make entries to AIC 217, 219, 631, or 635 only upon receipt of a statement of differences printout.

### Statement of Differences — Cash (AIC 217 or 631) Shortages and Overages

If...	Then...
Short,	Make the required entry to AIC 217 in the receipt side, which must be offset by an increase to the appropriate disbursement AIC. When you do not know the correct offsetting entry, you may carry the amount of the difference in AIC 814 (detail AIC 758) pending resolution not to exceed 30 days.
Over,	Make the required entry to AIC 631 in the disbursements side, which must be offset by a decrease in the analysis section. When you do not know the correct offsetting entry, you may carry the amount of the difference in AIC 080 (detail AIC 076, statement of differences unresolved) pending resolution not to exceed 30 days.
Net difference	The entry to AIC 217 or 631 may be a net difference.

**Exception:** It may be necessary to carry money order differences in AIC 814 or AIC 080 longer than 30 days.

### Statement of Differences — Inventory (AIC 219 or 635) Shortages and Overages

If...	Then...
Short,	Make the required entry to AIC 219 in the receipt side, which must be offset by an increase to the appropriate inventory AIC (AIC 805 or 806) in the analysis section. Unknown differences should be reported in suspense until resolved.
Over,	Make the required entry to AIC 635 in the disbursement side, which must be offset by a decrease to the appropriate inventory AIC (AIC 805 or 806) in the analysis section. Unknown differences should be reported in trust until resolved.
Net difference	The entry to AIC 219 or 635 may be a net difference.

**Important:** Clear differences in a timely manner.

### 533 **Disputing Audit Differences**

**>>** If you do not agree with an audit difference, contact the DAO for help in resolving the problem. If the district needs assistance in resolving the problem, contact the area finance office.

**Note:** Do not delay posting differences to the accountbook because an item is disputed.

Exhibit 512.4

**Form 3083, Trust Accounts Receipts and Withdrawals**

Prepared By		Date			Reporting Unit	
Item	Posting Date	Post Office	Permit			
1 Opening Balance						
2 Advance Deposits Received						
3						
4 Total to be Accounted for						
5 Withdrawals From Advance Deposits						
6						
7 Closing Balance						

PS Form 3083, August 1971

**Trust Accounts Receipts and Withdrawals**

### Form 25, Trust Fund Account

221

Exhibit 523.1

## Form 1556, Suspense Items Support Information

[illegible]

# 6 Disbursing Postal Funds

## 61 Overview

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This chapter explains how post offices disburse postal funds locally or through the accounting service center (ASC). These activities fall under the following sections:

Section 62	Methods of Disbursement
Section 63	Refund Disbursements
Section 64	Local Disbursements for Transportation
Section 65	Local Disbursements for Supplies and Services
Section 66	Disbursements to Pay Utilities

### 611 Local Disbursements

The ASC has made arrangements to provide supply sources for most post offices' needs and to handle most disbursements on specialized equipment. Postmasters must observe the limitations placed on disbursements authorized for local action to avoid incurring unnecessary workload or expense.

### 612 Local Buying Authority

See the *Administrative Support Manual* (ASM) Exhibit 713.2, for local buying authority.

### 613 Controlling Funds

#### 613.1 Making Normal Payments

All post offices must make short-range forecasts, based on previous experience and knowledge of when they usually pay for expenses. These forecasts ensure that sufficient funds from daily receipts (1 or more days) are on hand to meet commitments the day payments are due. These expenses include travel advances, emergency salary authorizations, carfare, bus tokens, or tolls.



**613.2 Cashing Money Orders**

Post offices should not retain excess funds in anticipation of customers' money order cashing needs. Offices can accumulate funds on the same business day when the customer is willing to delay cashing a money order.

## 62 Methods of Disbursement

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**621 Handling Cash Payments**

- >>** Use cash for all authorized local disbursements, when practical. Do not use cash for making payments by mail.

**621.1 Making Temporary Cash Payments**

- >>** You may temporarily advance cash to an employee for cash purchases, provided that you complete and settle the transaction the same day. Complete Form 1096, *Cash Receipt*, when advancing cash and keep with stamp credit. Return the original Form 1096 to the employee when the employee presents a receipt for goods purchased.

**621.2 Receiving Cash Payments****621.21 Receiving Cash Payment for Over \$25**

- >>** Require separate signed receipts for all cash payments over \$25 when you are unable to obtain the payee's or vendor's signature on the invoice or other document showing the reason for the payment. If the receipt is imprinted with the vendor's name, you can meet signature requirements when the vendor's initials or signature and date appear together with the word "paid" (stamped or written). When the receipt is not imprinted with the vendor's name, this name must be included as part of the paid stamp or written above the word "paid," together with the date and the initials of the person receiving payment.

**621.22 Receiving Cash Payment of \$25 or Less**

- >>** You do not have to require the signature of the payee or vendor when the cash payment is \$25 or less. Evidence of these payments may be a sales slip or cash register ticket, each signed by the postal employee who made the payment and showing what the purchase covered.

**621.23 Accounting for Cash Payments**

- 1>** Show the three-digit account identifier code (AIC) number to which the payment relates on all documents (see Appendix A).
- 2>** File by AIC number and retain in support of entries on Form 1412.

## 622 Handling Money Order Payments

- 1> Use money orders in amounts up to the maximum value of two money orders when it is impractical to pay in cash or necessary to pay by mail. For amounts greater than two money orders, see sections 623 and 624 below. When practical, maintain the separation of duties between the preparer and the window clerk who imprints the money order.
- 2> Give a window clerk the invoice showing the AIC number on all copies and a preaddressed or window envelope.
- 3> The window clerk must imprint the money order set for the amount of the invoice, enter the money order number to the invoice, complete the Pay To and Payee portions of the money order (if necessary), and place it in the envelope.
- 4> Return to the preparer for review.
- 5> After the preparer's review, return to the clerk for mailing.
- 6> Place the money order voucher with the other vouchers. Include the money order amount and appropriate fee with other money order business. The copy of the payment document must support the disbursement AIC entry, and the customer's copy of the money order must support the AIC 586 entry on the Form 1412.

## 623 USPS Commercial Check Payments

### 623.1 Requesting USPS Commercial Checks

The district accounting office (DAO) processes requests for all USPS commercial checks. Post offices can request a commercial check payment for invoices and/or trust refunds greater than the value of two postal money orders.

- >> Submit to the DAO a copy of the approved and certified invoice with the request form. The customer receives the USPS commercial check through the mail.

**Note:** The request form applies only to invoices currently being sent to the DAO for payment. All bills paid locally will continue to be paid locally. For further instructions, see the *Field Disbursement System Implementation Guide*.

### 623.2 Requesting a Refund of Advance Deposit

- >> Charge the amount of the check to the requester's finance number in the current accounting period (AP). The requester will enter on the statement of account for the same AP an entry to AIC 326 on the receipt side, and an entry to AIC 480 on the disbursement side.

**623.3 Requesting a Payment of Invoice**

- >> Charge the amount of the check to the requester's finance number with a specific general ledger account number. The requesting office makes no further entries.

**623.4 Field Disbursement System**

The DAO uses the accounts payable accounting and reporting system (APARS II) in the San Mateo accounting service center (SMASC). The Minneapolis accounting service center (MNASC) produces and mails the USPS commercial bank checks.

The APARS II system provides information for the Postal Service Financial Report (PSFR) and prints the checks as each invoice comes due. The vendor receives checks directly through the mail. The DAO handles all questions from the vendor through inquiries to the APARS II system.

**623.5 Handling Undeliverable USPS Commercial Checks**

- >> The ASC will notify the DAO. Make the appropriate entries as instructed.

**624 IMPAC Credit Card Payments**

The official name of the VISA credit card is IMPAC, International Merchant Purchase Authorization Card. The IMPAC credit card is the primary way to use delegated local buying authority. This is the authority to buy and pay for day-to-day operational needs. An IMPAC credit card single transaction may not be greater than \$10,000. For reference, see Handbook AS-709, *Credit Card Policies and Procedures for Local Buying*.

Three types of IMPAC cards are issued to postal personnel:

- One to purchase expense items.
- One to purchase capital property.
- One issued only to vehicle maintenance facilities (VMFs) to purchase vehicle parts.

The following table indicates what account is charged by specific card:

Card	Account	PSFR3
VEHPARTS	14351	
VEHPARTS	52150	3H
EXPENSE	52111	31
CAPITAL	17802	CH setup
CAPITAL	87802	68 (6X)
CAPITAL*	56930	43

\* Reversed, pending submission of Form 8162, *Capital Property Record*

## 625 **Avoiding Duplicate Payments**

- >>** Exercise caution to avoid paying for supplies and services more than once. Whenever possible, pay only original invoices. Should you make a duplicate payment, remove the amount from the AIC originally used and enter the amount to suspense while seeking reimbursement.

## 626 **Disposing Paid Bills**

### 626.1 **Local Post Office Payment**

- 1>** File by AP in support of entries on the statement of account.
- 2>** Keep a copy of paid invoices.

### 626.2 **District Payment**

- >>** File by date and batch number to support the PSFR.

# 63 **Refund Disbursements**

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## 631 **Advance Deposit Accounts**

### 631.1 **Handling a Customer Claim**

#### 631.11 **Nonautomated Permit System Units**

- 1>** When you receive a written request for a refund of all or part of the unused balance of a customer advance deposit account, the business mail entry unit (BMEU) must complete Form 3613, *Refunds From Advance Deposit Accounts*.
- 2>** Submit Form 3613 and the customer letter with Form 3083 to the accountbook unit or DAO.
- 3>** If you cannot disburse funds on the same day they are withdrawn from the customer advance deposit account, the postmaster or DAO should enter them in AIC 075, Advance Deposit Awaiting Refund, until disbursed.
- 4>** When funds are disbursed, the postmaster or DAO will offset the trust fund withdrawn with a postal money order or USPS commercial check.
- 5>** Keep a copy of the customer letter for the files.

#### 631.12 **Automated Permit System Units**

- 1>** When the BMEU receives a request to refund money from a trust account, make an entry into "Refunds from," and it automatically flows to a Form 1412 in AIC 075.

- 2> Send the refund form and letter to DAO to refund through APARS II, or refund with a postal money order and offset to AIC 475, Advance Deposit Refunds Paid.

## 631.2 Closing an Account for Customer Inactivity

- 1> After deciding to close a customer account for inactivity (2 years without a transaction), the BMEU/postmaster must send a cancellation notice to the customer.

### Non-Permit

Send a form letter as shown in [Exhibit 631.2](#) as notification and confirmation of customer's address. Customers have 10 days from the date on the notice to respond. If a written appeal is not received from the customer, or if the letter is returned as undeliverable as addressed, close the account.

### Permit

Generate a Non-use letter from the Accounting Period Report Menu in the Permit System. Customers have 10 days from the date of the notice to respond. If a written appeal is not received from the customer, or if the letter is returned as undeliverable as addressed, close the account.

- 2> If customers respond to the cancellation notice with a current address, process the refund.

### Non-Permit

Complete Form 3613 in duplicate for the balance in the customer account. If an address correction is received, make the necessary changes to the account.

### Permit

Generate the automated form in the Permit System to issue a refund from the trust account for the balance in the customer's account. Annotate the appropriate reason for issuing the refund along with any clarifying comments.

- 3> Submit both copies of the Form 3613 with Form 3083 to the accountbook unit or DAO.
- 4> If you cannot disburse funds on the same day they are withdrawn from the customer advance deposit account, the DAO or postmaster should enter them in AIC 075 until disbursed. When funds are disbursed, the DAO or postmaster will offset the trust fund withdrawn with a money order or a USPS commercial check.

If...	Then...
The balance exceeds \$10	The DAO or postmaster will disburse the funds based on a copy of Form 3613 and the customer's verified address from the notification letter.
The balance is \$10 or less	Place it in AIC 126 until specifically requested by the customer.

If...	Then...
The refund is undeliverable	Enter the amount to AIC 126 until the customer claims it.

### 632 Handling Postage and Fees

Other procedures are in *Domestic Mail Manual* (DMM) Module P014.

- >> Use Form 3533 or a postage meter manufacturer's checkout form having the required documentation to support the entry to AIC 526, Customer Meter Postage Refunded.

### 633 Handling Retail Service Fees

Other procedures are in DMM Module P014.

- >> Use Form 3533 to support the entry to AIC 535.

### 634 Handling Miscellaneous Nonpostal Revenue

The various types of miscellaneous nonpostal revenue are defined in section 793.

- >> On approval of a proper claim, disburse the funds and enter the amount in AIC 624.

## 64 Local Disbursements for Transportation

Authorization for local transportation is in *Postal Operations Manual* (POM) Section 613.2, Travel and Transportation of Carriers, and Part 624, Special Delivery Fees; Handbook M-39, *Management of Delivery Services*, Part 171, Carrier Drive-Out Agreements; and Handbook F-15, *Travel and Relocation*.

Local travel is defined as travel within a 50-mile radius of your permanent duty station or work location. Expenses incurred for local travel *in excess of your normal commuting costs* are reimbursable. A temporary work location or duty station is any location except your permanent work location where you are required to perform official duties (meetings, training, etc.). Incidental costs such as parking and tolls incurred as a result of your temporary assignment are reimbursable.

Transaction Type	Use Form	Where Item Is Paid
Fares, tolls, taxi, parking, miscellaneous vehicle expense	1164	Local payment
Carrier drive-out agreement	1839	ASC payment
Daily rate for street supervision, route inspection	1164-A	ASC payment
Mileage rate for street supervision, route inspection.	1164	Local payment

**641 Making Payments**

- >>** Postmasters must pay all authorized local transportation expenses including fares, tolls, taxi, parking, and vehicle expenses.

**642 Keeping Records**

- 1>** Prepare Form 1312, *Local Transportation Payments*, on the day cash or tokens are distributed for fares and tolls.
- 2>** At the close of the period covered by the form, the supervisor of carriers must approve it.
- 3>** Use Form 1164 for all other local transportation costs.

**643 Handling Carrier Drive-Out Agreements**

- 1>** Prepare Form 1839 in triplicate each pay period.
- 2>** Fill out using a typewriter or ballpoint pen.
- 3>** Record the carrier's name, Social Security number, and the amount due.
- 4>** Send the original and duplicate to the DAO for entry into Distributed Data Entry and Distributed Reporting (DDE/DR).

**Note:** MNASC pays the employee directly.

**644 Paying Transportation to Postal Service Training**

Employees attending training sessions within the Postal Service will be allowed local transportation expenses between the official duty station and the training site.

- >>** You may authorize use of the employee's privately owned automobile. See Handbook F-15, Chapter 5, Arranging Transportation, for further instructions. Use Form 1164.

**645 Paying Transportation Between Post Offices**

- >>** When postal employees must travel on official business between post offices, the postmaster may authorize local travel provided. Do not provide per diem.

**646 Handling Approvals and Accounting Entries****646.1 Authorizing Approvals**

By approving the Form 1164, the appropriate authority authorizes the expenses incurred.

646.2 **Applying Accounting Entries**

- 1> On the date paid, enter cash payments to Form 1412 from Forms 1312, 1164, or other documents verifying payment. Use these AICs:

Use AIC...	For...
AIC 538	Carfare, tolls (see AIC 540), parking fees, travel to and from lunch and comfort stops, transportation of supervisory passengers, transporting parcels, mileage allowance, car rentals, official local telephone calls, allowance for military postal unit details, travel between post offices, and postmaster attendance at operating/training meetings.
AIC 540	Tolls when transporting mail.
AICs 642 through 647 and 678 through 683	As appropriate, for local travel for training.

- 2> Account for disbursements for tokens, tickets, and passes when they are paid. Do not make an entry to the accountbook when these are distributed.
- 3> Keep forms and other documents showing payment at the accountbook level.

## 65 **Local Disbursements for Supplies and Services**

651 **Separating Duties**

- >> To ensure separation of functions that would create a conflict of interest, to the extent practical, do not assign the same employee to approve local purchases, acknowledge receipt of goods or services, make payments, and maintain the accountbook.

652 **Purchasing Local Postal Supplies**

- 1> Charge to AIC 546 postal supplies (not equipment) that are paid locally when purchased for use by post offices.
- 2> Charge to AIC 550 postal supplies and expendable equipment purchased on behalf of VMFs.
- 3> Charge to AIC 546 the cost of supplies that are purchased at post offices for area maintenance mechanics in connection with installing, altering, and repairing specialized equipment or for authorized cost of moving postal equipment.



### 653 **Paying for Custodial Building Supplies and Services**

- >> Charge custodial building supplies and services that are paid locally to AIC 583 when applied to post offices and to AIC 584 when paid on behalf of VMFs.

### 654 **Purchasing Miscellaneous Supplies, Materials, and Services**

- >> Enter in AIC 587 the amounts paid for fees of state and local governments for furnishing copies of motor vehicle records, filing fees for small claims court, pre-employment investigations, local noncash incentive awards of \$50 or less, and expenditures for labor hired locally for area maintenance mechanics, authorized by district, to assist in installation, alteration, and repair work as authorized by the engineering branch chief.

**Note:** Do not include any payments for items included in AICs 543, 546, 550, 577, 578, 583, and 584.

### 655 **Precanceling Stamps**

- >> Enter as a write-in to AIC 627 the amount paid for the cost of precanceling stamps (DMM Module P023).

### 656 **Reimbursing an Employee for a Uniform Cap**

When an employee is required to wear a uniform cap before becoming eligible for a uniform allowance, the postmaster will authorize a uniform cap reimbursement.

- 1> Pay the employee in cash when presented an invoice showing the amount of the cap purchase.
- 2> Complete the three-part Form 3236, *Uniform Allowance Cap Disbursement*.
- 3> Verify the employee's name, Social Security number, designation number, anniversary date, and post office finance number on the invoice.
- 4> Have the employee sign the invoice.
- 5> Charge to AICs 607 through 612, as appropriate, for cash payment to the employee.
- 6> Maintain Form 3236 and the vendor's invoice at the statement of account reporting level.

## 657 **Paying Indemnity and Tort Claims**

### 657.1 **Indemnity Claims**

See DMM Module S010 for indemnity claims.

#### 657.11 **Domestic Unnumbered Insured Articles (\$50 or less)**

- 1>** Unnumbered insured articles will be locally adjudicated at the post office accepting the claim.
- 2>** The postmaster/station manager or designated supervisor will review the claim to ensure that the Postal Service has obtained proof of mailing, i.e., the original Form 3813, *Receipt for Insured Mail*, evidence of value, and proof of damage or loss.
- 3>** If approved by the postmaster/station manager or designated supervisor, the retail clerk will pay the claim with a no-fee money order.
- 4>** When making payment, the Postal Service should retain the original Form 3813.
- 5>** Claims from a contract or CPU must be processed at the parent post office.
- 6>** Complete Section B on Form 1000.
- 7>** Complete the money order number, amount, and date of Section C on Form 1000.
- 8>** Forms 1000 and Forms 3813 must be stamped “paid” and initialed by the retail clerk.
- 9>** After the claim is paid, send copy 1 of Form 1000 to the St. Louis ASC.
- 10>** File copy 2 of Form 1000 locally to support Form 1412 and the payment recorded in AIC 539, *Indemnity Claims Paid at Window*.
- 11>** Give copy 3 of Form 1000 to the customer.
- 12>** All related documentation, including the customer receipt of the money order and copy 4 of Form 1000, should be retained at the post office that paid the claim.
- 13>** If the claim is denied, the postmaster/station manager or designated supervisor will write “Denied” on Form 1000 and sign it. Then follow steps 9–12 above.

**Note:** Process all domestic numbered insured claims through the St. Louis ASC.

#### 657.12 **Repayment of Locally Adjudicated Unnumbered Insured Claims**

Use AIC 249, *Recovered Indemnity Claims*, on the receipt side of Form 1412 when a customer repays the post office for a claim payment.

**657.2 Tort Claims**

- 1>** See ASM 25 for tort claims.
- 2>** District managers are authorized to pay tort claims of \$5,000 or less.
- 3>** Use AIC 597, *Tort Claims \$5,000 or Less (District offices only)*, to record payments.

**658 Handling Special Occasion Expense**

- 1>** Enter expenses for the dedication of a postal facility, including refreshments and decoration in AIC 593, *Special Occasion Expenses — Post Office Dedication*.
- 2>** Get authorization from the district before you use this AIC. The authorization, along with the supporting documents such as bills and vendor's invoices, will support the entry on the statement of account.
- 3>** Keep it at the post office for review by the Inspection Service.

**659 Handling Operating or Training Meeting Expense**

- 1>** Enter to AIC 591, *Operating/Training Meeting Expense*, expenses for meetings held in nonpostal facilities and refreshments served at operating or training meetings involving the district office and associate offices.
- 2>** Get authorization from the district before you use this AIC. The authorization, along with the supporting documents such as bills and vendor's invoices, will support the entry on the statement of account.
- 3>** Keep it at the post office for review by the Inspection Service.

## 66 Disbursements to Pay Utilities

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Charges for utilities are accounted for separately as electricity, telephone, oil (heating), gas (heating), and water. They are further defined as being post office or VMF expenditures. Post offices in leased quarters do not pay utilities unless the lease contract requires it.

**661 What Utilities to Pay****661.1 Metered Utility Bills****661.11 Non-SFAP Units**

Postmasters must pay all metered utility bills for services covering charges incurred by their post offices, stations, and VMFs up to the amount of two no-fee postal money orders. The local purchasing authority does not apply to the payments for nonmetered fuel (see section 663). The postmaster must pay the total bill even though other organizations such as blind vendors,

credit union, and other government agencies are included. Prorate the changes to the other organization when instructed by the district Finance manager.

#### 661.12 **SFAP Units**

The district accounting offices pay these utilities. See section 623.4.

#### 661.2 **State and Local Utility Taxes**

State and local taxes are frequently set out as separate line items on utility bills. The Postal Service is not necessarily relieved from paying these taxes, and most are properly payable. If postmasters doubt whether separately stated taxes should be paid, they must seek guidance from the district. If a previous ruling on the tax in question is not available, the district must forward the inquiry to the field legal counsel for an opinion.

**>>** Pay the tax billed pending resolution of the matter.

#### 661.3 **Reimbursements**

Where a ruling provides that no tax liability should have been assessed against the Postal Service, seek reimbursement from the utility company. Reimbursement should be limited to 4 years. This coincides with the retention period for paid utility bills at the post office (ASM Exhibit 351.21).

### 662 **Guidelines for Making Payments**

#### 662.1 **Verifying Bills**

- 1>** Review bills submitted by utility companies and municipal units for established rates and correctness of statement.
- 2>** Check the lease before making payments to post offices or stations occupying leased quarters to make sure the Postal Service is required to pay for fuel and utilities.

#### 662.2 **Collecting for Unofficial Service**

- 1>** Check utility bills for service furnished to unofficial organizations that do not have a separate meter.
- 2>** Review telephone bills for personal toll calls allowed employees on an emergency basis and service or calls applicable to accredited organizations such as credit unions, canteens, etc.
- 3>** Collect the entire amounts due from the employees or organizations and furnish receipt Form 3544.
- 4>** Pay particular attention to any taxes levied.
- 5>** Record the amounts collected in the receipts section of the accountbook as write-in entries to the appropriate AIC as described in Appendix A.
- 6>** Attach duplicate copies of the Forms 3544 to the related bills.

**662.3 Making Payments on Time**

- >>** Pay bills as close to the due date as possible without incurring a late charge. At offices having stations and branches receiving more than one bill, consolidate the bills and pay them with no more than two no-fee money orders or by requesting a commercial check from the DAO.

**662.4 Avoiding Advance Payments**

- >>** Avoid advance payments whenever possible. Do not pay a bill received in advance of the service ending date.

**662.5 Offsetting Overpayments**

- >>** When you discover an overpayment, offset the overpaid amount against the current payment and advise the vendor of the adjustment.

**663 Nonmetered Fuel**

Nonmetered fuel includes coal, coke, firewood, kerosene, fuel oil, bottled gas, and ice. Fuel oil and bottled gas are considered nonmetered even though obtained from a truck equipped with a metering device.

**663.1 Limitations**

Postmasters must pay for individual purchases or deliveries of nonmetered fuel according to the following:

- For CAG A–J post offices, over \$100 to \$500.
- For CAG K and L post offices, \$100 or less.

**Note:** These limitations apply only to fuel not measured in gallons (see section 83).

**663.2 Exception**

All offices with nonmetered fuel requirements estimated not to exceed 20,000 gallons annually may make local purchases using local purchase authority. For heating fuel only, the dollar limitation is the total price for filling the tank (not to exceed 20,000 gallons annually). The procurement service office will contract to supply quantities exceeding 20,000 gallons annually.

**663.3 Making Support and Accounting Entries**

- 1>** Use Form 7444, *Local Purchase Order*, or other evidence of payment.
- 2>** Make accountbook entries to the appropriate AIC as described in Appendix A.

**664 Prorating Utilities**

- >>** Where a mail processing facility and a VMF are located in the same building and you receive a joint billing for both facilities for each type of service, prorate the amounts and enter in the appropriate AICs as if you had made separate payments.

Exhibit 631.2  
Sample Letter

Re: Permit Imprint Account Number \_\_\_\_\_

Dear Postal Customer:

According to our records, you have not used your permit imprint number for two years. A permit may be revoked for non-use during any 2-year period (Domestic Mail Manual (DMM) section P012.1.6). Our records indicate that the last date of mailing under your permit imprint account was \_\_\_\_\_.

In accordance with the above provision, your permit imprint account is canceled. You may file a written appeal to the Postmaster, at the address below, within 15 days of receipt of this notice.

Please confirm your current address so that any refund due can be forwarded correctly. You may verify your address by checking the appropriate block below and returning it to this office.

\_\_\_\_\_ Current address valid

\_\_\_\_\_ Current address invalid – corrected address listed below:

If you wish to resume mailing, using a permit imprint, a new application and fee payment will be required. Please contact the Business Mail Acceptance Office at \_\_\_\_\_ if additional assistance is needed.

Sincerely,

Postmaster

# 7 Accounting for Nonstamp Revenue

This chapter describes the reporting procedures for each type of nonstamp revenue source listed below:

Section 71	Postage Meters
Section 72	Mail Without Postage Affixed
Section 73	Application and Annual Fees
Section 74	Money Orders
Section 75	Post Office Box and Caller Service
Section 76	Business Reply and Postage Due Mail
Section 77	Handling Packaging Products
Section 78	Customs Collection and Collect on Delivery
Section 79	Miscellaneous Receipts

## 71 Postage Meters

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There are two classifications of postage meters:

- Customer meters.
- Post office meters.

### 711 Codes for Meter Manufacturers

Each of the following manufacturers has an identification code, listed below:

- Ascom Hasler — 1.
- Pitney Bowes — 2.
- Postalia — 3.
- Neopost — 4.

**Note:** The *Domestic Mail Manual* (DMM) Module P030 contains other procedures for all meters. The computerized meter resetting system (CMRS), which gives the procedures for customer meter accounting, is in Handbook F-51, the *Meter Accounting Tracking System (MATS) Users Guide* and official mail accounting system (OMAS).



## 712 Procedures for Reporting on Customer Meters

### 712.1 Control Forms

Control forms are:

- Form 3601-A, *License To Use Postage Meter*.
- Form 3601-C, *Postage Meter Activity Report*.
- Form 3602-A, *Daily Record of Meter Register Readings*.
- Form 3603, *Receipt for Postage Meter Settings*.
- Form 3610, *Record of Postage Meter Settings*.
- Form 3618, *Local Setting of Postage Meter Licensed at Another Office*.

### 712.2 Reporting Revenue

#### 712.21 Non-MATS Sites

- 1> Record on Form 3603 the daily revenue from customer meter settings that is reported in account identifier code (AIC) 111, Postage Meters — Customer. Report on Forms 3610 by meter serial number the individual meter activity. This includes all before and after settings, amount of new setting, and control totals. Submit all manual Forms 3603 to the DAO daily.
- 2> Meter settings may take place at sites other than the assigned office location of the meter serial number when approved in advance in writing. Report on Form 3618. Forward the form along with payment to the office of designation for control purposes.

#### 712.22 MATS Sites

- >> At district accounting offices using MATS, maintain all Forms 3610 activity for meters assigned to the reporting units. Both standard field accounting procedures (SFAP) and non-SFAP offices may have customer meter activity maintained by the district accounting office. Refer to the *MATS Users Guide* for detailed information and instructions.

### 712.3 Verifying Quarterly Revenue

#### 712.31 Non-SFAP Transmitting Sites

##### Individual Meter

- >> At the close of each postal quarter, an employee other than the employee who normally sets meters must rule off each Form 3610 and total the column 6 entries on Forms 3610. Add the column 6 total to the ending control total (column 8) for the previous postal quarter (PQ). This amount must equal the ending control total for the current PQ.

**Total Meters**

- >> Send the total of all column 6 entries to the accountbook unit. The result must equal the total amount entered to AIC 111 on the statement of account for the PQ. Should there be a difference, the accountbook unit will compare the Forms 3603 totals until the difference is resolved.

712.32 **MATS Sites**

- >> For SFAP units, use the reports option to obtain the AIC 111 total for all meters assigned during the current AP. Compare the total to the statement of account amount reported in AIC 111 each AP.
- >> For Non-SFAP units, use the COBOL report to compare AIC 111.
- >> For Non-IRT units, compare the total to the statement of account amount reported in AIC 111.

713 **Handling Meter Malfunction**

Customers are responsible for notifying the Postal Service and the manufacturer when a meter has malfunctioned.

713.1 **Determining the Amount of Adjustment**

- >> Determine the amount of a revenue adjustment from the last entry to Form 3610 and the ascending register reading on the customer meter. Add the units bought to the ascending register reading, and subtract the total from the ascending register reading on the customer meter.

713.2 **Determining the Amount Due the Customer**

- 1> Calculate the amount due the customer as the control number minus the current ascending number.
- 2> Use Form 3601-C, *Postage Meter Activity Report*, to withdraw postage meter from service.
- 3> If you refund or transfer the amount to a new postage meter, make the proper entries to Form 3601-C to record the amount refunded or transferred.
- 4> If a refund, report in AIC 558, Refund Customer Meter Withdrawn, amount due to customer. (Form 3533, *Application and Voucher for Refund of Postage and Fees*, is no longer used for customer meter withdrawn refund.)
- 5> SFAS and non-SFAS offices submit Form 3601-C to the DAO daily and a copy is filed at the unit.

**713.3 Determining Amounts Due USPS**

If the ascending number is greater than the last units bought and the last ascending number on the Form 3610, do the following:

- 1>** Use Form 3603 and annotate "Over Use Payment." Enter on receipt descending (1), ascending (2), and old control total (3) from Form 3610. Enter the amount of overuse (4) and new control total (5).
- 2>** Post the information from Form 3603 to Form 3610 with the annotation, "Over Use Payment."
- 3>** Record on Form 1412 in AIC 111, and offset with cash remitted, if paid, or suspense until you receive payment.

**713.4 Disposing of Inaccurate Meters**

- 1>** When the meter is making an inaccurate registration that is not attributable to a mis-set meter, make copies of the latest Form 3603 and Form 3610.
- 2>** Provide these forms and the meter to the manufacturer's representative and request a detailed explanation as to why the meter failed to function properly.
- 3>** Annotate the meter manufacturer's checkout form as a question of accurate registration before submitting with the Form 1412.
- 4>** The accountbook unit will place a copy of the meter manufacturer's checkout form in serial number order in a file pending receipt of the manufacturer's detailed statement.

**713.5 Requiring a Manufacturer's Detailed Statement**

- 1>** After examining the faulty meter, the manufacturer must promptly furnish a detailed statement explaining why the meter failed to function properly.
- 2>** At the beginning of each postal quarter, review the question of accurate registration meter file for checkout forms more than 30 days old and immediately contact the meter manufacturer's representative about any meter without a manufacturer's statement.
- 3>** When you receive the manufacturer's detailed statement, handle any amounts due the customer as directed in section 713.2 and amounts due the Postal Service as directed in section 713.3.

**714 Procedures for Reporting Post Office Meters****714.1 Reporting in Post Offices and Classified Units**

- 1>** Each day, the meter operator must record the meter number, unit or station name, date, and beginning ascending and descending register reading on Form 3602-PO. The supervisor must verify the register readings before initial operation. At the end of the tour, the operator

must record the ending, ascending, and descending register readings. The difference between the beginning and ending readings represents the postage for which the operator is accountable. When a window clerk is relieved, he or she should complete Form 3602-PO, and another relief clerk should begin Form 3602-PO. Use this procedure even if the postage meter will not be assigned to another window clerk during the clerk's absence. A supervisor must verify all readings and initial them. When a window clerk must leave the window area to retrieve a parcel or other mail for a customer, the clerk must record the descending register reading on a piece of paper or lock to ensure that no one tampers with the postage meter.

- 2> A Form 3609-PO must be on file at the accountbook level for each post office meter. Record the first meter setting directly on the form. Report all subsequent settings on Form 3602-PO and post to Form 3609-PO.
- 3> Submit Forms 3602-PO to the DAO for support to AIC 110.
- 4> Keep copies of Form 3602-PO with Form 3609-PO, and post the total amount of postage once each accounting period on Form 3609-PO.
- 5> Control Forms 3602-PO as directed in section 152.

## 714.2 Reporting in Contract Units

Post office-owned meters are not furnished to contract stations. The contractor, at his or her own expense, may lease a meter from an authorized manufacturer.

Treat leased meters as follows:

- 1> If the contractor also uses the meter to apply postage on his or her own mail, require payment each time the meter is set. These meters in effect will be customer meters and will be handled as in section 712.
- 2> If the meter is used exclusively for mailings of customers, treat the meter as a post office-owned meter. Enter all information and initial setting on Form 3602-PO. Furnish Form 3602-PO to the contractor and require submission of this form with Form 1412. When the contractor brings the meter to the designated office for setting, the Form 3602-PO book must accompany the meter to allow the postal employee setting the meter to complete the report of meter settings section on the next form.
- 3> If the contract postal unit (CPU) is using a remote-set postage meter under the Postal Meter Resetting System (PMRS), treat the meter as a post office-owned meter. The meter must be used exclusively for mailings of customers. The CPUs must report daily meter revenue on Form 3602-PO, *Postage Collected Through Post Office Meter*, and on Form 1412 in AIC 110. The CPU must report the initial setting and additional postage settings added to the meter on the Form 3602-PO. In non-SFAP offices, the employee reviewing the CPU's Form 1412 financial documentation must review all Forms 3602-PO and report any

postage meter resets to the Meter Accounting Tracking System (MATS) coordinator at the DAO.

For CPUs reporting under SFAS to the DAO, the accounting technician must review all Forms 3602-PO and report any postage meter resets to the MATS coordinator. The MATS coordinator will verify the resetting against the MATS system to ensure validation and confirmation of each setting with the meter manufacturer.

**Note:** Review the contractor's bond limitation and current accountability to determine the amount of setting allowed. The stamp accountability and dollar amount on the meter should not exceed the bond authorization limit.

#### 714.3 Recording Revenue

- 1> Use Form 3602-PO to determine post office meter revenue. The difference between the beginning and ending register readings will determine the monies received for postage.
- 2> Prove the accuracy of computations on Form 3602-PO and enter the total money collected through post office meter operations to AIC 110 of Form 1412.
- 3> Send the original of Form 3602-PO with Form 1412 to the accountbook unit.
- 4> The accountbook unit verifies Form 3602-PO for consecutive usage, for accurate computations, and for assurance that the beginning ascending register equals the ending register reading from the previous form.

#### 714.4 Verifying Revenue

- 1> Add the PQ totals from the postage collected column of all Forms 3609-PO maintained for post office meters including contract units.
- 2> Compare this amount with the entry to AIC 110, Postage Meters — Post Office, on the statement(s) of account for the quarter.
- 3> If a difference exists, amounts from Forms 3609-PO must be verified to the daily Forms 3602-PO submitted.

#### 715 Using Postage Validation Imprinter

Postage validation imprinters (PVI) work only with an integrated retail terminal (IRT). Since the IRT and PVI are connected, the postage amount is transferred automatically from the IRT to the PVI. The automated transfer eliminates any possibility of entering one amount in AIC 109, Postage Validation Imprinter, on the IRT and a different amount in the PVI.

PVI labels are governed by the same rules as meter strips. The PVI labels produce postage validation and destination ZIP barcode labels.

**Note:** Contract stations are not authorized PVI.

### 715.1 IRT — Post Offices and Classified Stations or Branches

Turn on the PVI before turning on the IRT for proper operation. Daily startup procedures for each PVI are as follows:

- 1> Print a test label at the beginning of each tour or whenever you are using another PVI to ensure proper printing and functioning.
- 2> Affix one test label showing the opening PVI register reading's electronic accumulation register (EAR) to the back of the opening balance IRT printout. Submit with Form 1412 at the end of your tour.

### 715.2 Preparing Clerk PVI Reports

- 1> Press "Start of Day" on the IRT to produce a PVI interim register report showing the activity in the session just ended. Use this option when another clerk uses a PVI or each time the clerk resumes on the IRT after returning to the window. Keep these reports for possible reconstruction of AIC 109 if the disk fails.
- 2> The PVI activity report is automatically printed at the end of the day with the Final Form 1412 report. Submit it as supporting documentation for AIC 109.

### 715.3 Resolving Differences When PVI and AIC 109 Are Out of Balance

If AIC 109 and the EAR are out of balance, you cannot adjust AIC 109 on the clerk disk. Use the following steps to resolve the difference:

#### AIC 109 Exceeds EAR

- 1> **On the Clerk's Form 1412**, enter amount of difference to AIC 553. Use Form 3533, *Application and Voucher for Refunds of Postage and Fees*, and check off "Clerk PVI Errors."

**Example:** AIC 109 = \$110.00      EAR = \$100.00

On clerk's Form 1412 report:

AIC 109 = \$110.00

AIC 553 = \$10.00

**On the Unit Form 1412**, do the following:

- Decrease AIC 109 by the amount of the difference.
  - Decrease AIC 553 by the same amount.
  - Attach Unit Adjustment List to clerk's Form 3533 and file.
- 2> **If the out-of-balance condition (AIC 109 exceeds PVI EAR)** is discovered after the clerk is consolidated *and no adjustment has been done by the clerk*, the close-out person makes the following entries to Unit Form 1412:
    - Decrease AIC 109 by the amount of difference.
    - Increase AIC 061 by the same amount.

- Issue Form 1908 instructing clerk to withdraw from trust using AIC 461 and offset with AIC 090 on the next business day.

**Note:** Clerks must make every effort to determine the correct entries.

#### **PVI EAR Exceeds AIC 109**

- 1>** On the Clerk's Form 1412, enter amount of difference to AIC 061 and AIC 553. Use Form 3533, *Application and Voucher for Refund of Postage and Fees*, and check off "Clerk PVI Errors."

**Example:** AIC 109 = \$90.00                      EAR = \$100.00

On clerk Form 1412 Report:

AIC 061 = \$10.00

AIC 553 = \$10.00

AIC 109 = \$90.00

**On the Unit Form 1412**, do the following:

- Increase AIC 109 by the amount of difference.
  - Enter amount to AIC 461.
- 2>** If the out-of-balance condition (PVI EAR exceeds AIC 109) is discovered after the clerk is consolidated *and no adjustment has been done by the clerk*, the close-out person makes the following entries to Unit 1412:
- Increase AIC 109 by the amount of difference.
  - Increase AIC 761 by the same amount.
  - Issue Form 1908 instructing clerk to clear suspense using AIC 361 and on the next business day. If PVI error or malfunction, clerk must submit Form 3533 and offset entry to AIC 553.

#### **715.4 Controlling IRT Disk and PVI Labels**

- 1>** Keep the clerk disk in a secure place whenever it is not in use. Secure passwords for individual disks and keep them confidential. See section 372 for Form 3977 verification procedures. Each day, examine clerk disks used for operation needs, such as weighing, rate information, and customer information, to ensure that there is no financial activity.
- 2>** Rolls of blank PVI labels must be controlled by the supervisor. Keep unused labels in original plastic bags and shipping carton until needed, for protection and to prevent undue exposure.

#### **715.5 Consolidating and Closing Out the Unit**

- 1>** The unit close-out person is responsible for verifying the receipt of PVI activity reports from individual clerks and the consolidated unit PVI activity report.
- 2>** Each day, consolidate all clerk disks that have been "booted up" on an IRT with a PVI.

- 3>** Review the unit Form 1412 “PVI Activity Report” and make the necessary adjustments to AIC 109 on the unit Form 1412 if you discover an out-of-balance condition.

#### 715.6 **PVI Training Labels**

Training sites, postal/vendor testing facilities, district accounting offices, and any other non-retail units must use PVI training labels only. Using standard PVI labels at the aforementioned sites or facilities is prohibited. The use of standard PVI labels (live postage) is restricted to retail units serving the public. Districts can obtain these PVI training labels by ordering directly from the vendor using the I.M.P.A.C. VISA credit card.

## 72 Mail Without Postage Affixed

Mailers may be authorized to mail material without affixing postage. Procedures detailing acceptance requirements are in DMM Module P.

### 721 **Handling Payment**

#### 721.1 **Accepting Payments**

Customers pay at the time they mail or through an advance deposit account. Checks accepted at bulk mail entry units (BMEUs) must have “BMEU” recorded on the front of the check. Postmasters will apply the usual criteria for accepting business checks for new permit holders and clients of permit holders.

- >>** Examine checks before acceptance to be sure that the payee is either the U.S. Postal Service or the postmaster. See section 312.1.

#### 721.2 **Recording Payments**

##### **Non-IRT**

Receipt	Disposition	
Form 3544	Original	Customer
	Duplicate	Support to Form 1412
	Triplicate	Unit maintaining accounts

##### **IRT**

Receipt	Disposition	
Form 3544	Original	Customer
	Duplicate	Unit maintaining accounts
	Unit list	Support to Form 1412



### 721.3 Collecting on Nonsufficient Funds Checks

The Postal Service may contact the check writer of returned checks or may immediately submit nonsufficient funds (NSF) checks to a collection agency after a second deposit attempt. NSF checks go to the check collection agency for collection without further collection efforts by the Postal Service. Collection efforts will be pursued only against the writer of the check, whether the permit holder or client of the permit holder.

### 721.4 Additional Collection Alternatives

If the writer of the NSF check is the permit holder, the Postal Service, after notification, may reduce the permit holder's accounts by the amount of the NSF check and applicable surcharge if the permit holder does not pay upon demand. If the amount in the permit holder's account does not cover the whole amount of the NSF check, the remainder of the amount owed is treated as a revenue deficiency. The procedures for handling revenue deficiencies are in Management Instruction DM-140-89-2, *Collecting Revenue Deficiencies*, June 16, 1989.

## 722 Handling Revenue

### 722.1 Recording Revenue

>> To control payments and mailings, use Forms 1412, 3083, and individual account forms related to the specific revenue category.

Revenue Category	Form	Descriptions
Permit imprint	Form 3609	Record of permit imprint
Periodicals	Form 3543	Record of periodical postage
Express Mail	Form 25	Express Mail corporate accounts
Postage due/business reply	Form 25	Additional postage required/business reply mail

Offices using approved automated systems such as the permit system and express mail reporting system (EMRS) will not transfer data to the Postal Service forms listed above.

## 722.2 Reporting Revenue

BMEU employees must prepare Form 3083, entering for each category the beginning balance, the total of all applicable Forms 3544 as deposits, the total from applicable mailing statements as withdrawals, and an ending balance.

>> Separate mailing statements by the following revenue categories:

<b>Permit Imprint</b>	<b>AIC</b>	<b>PSFR*</b>
Presorted First-Class Mail	121	02
Special Standard Mail	124	02
Nonprofit Standard Mail	125	02
Regular Standard Mail	130	02
Bound printed matter, Standard Mail	131	01
All other permit imprint	132	01
Periodicals	135	02
<b>Express Mail</b>		
Express Mail Revenue	133	01

\* *Postal Service Financial Report*

### All offices and units

>> Submit Forms 3083 to the accountbook unit.

### BMEU

>> Group all mailing statements by AIC.

### Automated BMEU offices

1> Enter each mailing into the permit system.

2> Submit Form 3083 to the accountbook unit.

### Expedited services office

1> Enter each mailing into EMRS.

2> Submit Form 3083 to the accountbook unit.

## 722.3 Verifying Reported Revenue

The accountbook unit should do the following:

1> For each column on Form 3083, verify the opening balance with the previous day's closing balance.

- 2>** In non-SFAP units, verify totals of Forms 3541-N, *Postage Statement — Periodicals — Nonprofit Rates*; 3541-NC, *Postage Statement — Periodicals — Classroom Rates*; 3541-R, *Postage Statement — Periodicals — Regular and Science-of-Agriculture Rates*; and 3613, *Refunds From Advance Deposit Accounts*, to withdrawals of the appropriate column.
- 3>** Compare the amount shown as received in each column with the duplicate Forms 3544 received with the Forms 1412-A or the list of Forms 3544 produced by an IRT. Resolve discrepancies.
- 4>** Enter revenue to the appropriate AIC on the unit Form 1412 and make the appropriate withdrawal entries.

**Note:** In SFAP units, verify totals of mailing statements that support revenue AICs listed in section 722.2 during random verification.

## 722.4 **Disposing of Forms**

### 722.41 **BMEU**

- 1>** Keep the original of all mailing statements to support entries on Form 3083.
- 2>** Submit these forms to the district accounting office (DAO) only upon request for random verification.

### 722.42 **All Offices and Units**

- >>** File manual Forms 3544 sequentially at the unit to ensure continuity of issuance. Keep window clerk IRT-generated lists of Forms 3544 at the unit and match with the previous day's list to ensure continuity of control numbers. File unit IRT-generated lists by date and retain to support entries on the office copy of the statement of account.

## 723 **Handling Shortpaid Bulk Mailings**

### 723.1 **General**

Customers may establish an advance deposit account to pay additional postage for shortpaid bulk mailings. Shortpaid bulk mailings are (1) metered, (2) residual pieces or disqualified metered mailings on ZIP + 4 presort or carrier route or presorted First Class mailings, and (3) carrier route or five-digit standard mailings, whose detailed descriptions appear in DMM Module P011. Shortpaid bulk mailings also include old rate precancelled stamp mailings authorized until new rate precancelled stamps are available. The grace period is in the *Postal Bulletin* announcing the rate change.

### 723.2 **Controlling**

- >>** Maintain Form 25, *Trust Fund Account*, for customers who establish an advance deposit account. Offices using the permit system must establish an account within the system to maintain the activity.

723.3 **Recording**

- >> With all mailings, send Form 3602-PC, *Statement of Mailing — Bulk Rates*, in duplicate.

723.4 **Verifying**723.41 **BMEU**

- 1> On Form 3083, verify the opening balance with the previous day's closing balance.
- 2> Verify the total of duplicate Form 3602-PC and any refund notice to withdrawals, line 5, of the postage due column.
- 3> Keep Forms 3602-PC separate for three categories:
  - Metered residual pieces.
  - Disqualified meter mailings.
  - Precancelled.

723.42 **Accountbook Unit**

- >> Report revenue in AIC 113, Additional Postage Revenue, and withdraw from trust.

724 **Handling Closed Express Mail Corporate Accounts**

When an Express Mail corporate account (EMCA) is closed per DM 201, expedited services will notify the customer in writing.

If...	Then...
The balance in the account is positive,	Confirm the customer's request to close the account in writing and enclose Form 3533, <i>Application and Voucher for Refund of Postage and Fees</i> , for the customer to apply for a refund.
The balance in the account is negative,	Notify the customer that the balance is due by a certain date, and if not paid by that date, the debt will go to a collection agency and a substantial collection fee will be charged. Also advise the customer that once the debt is turned over to CSC, any payments received at the local post office (through the mail or over the window) will be returned to the customer and will not be forwarded to CSC.

The district Finance manager or designee will monitor the activity at least biannually to ensure that expedite services is handling negative balance accounts per established collection procedures.

724.1 **Handling a Positive Balance**

- >> Upon receipt of completed Form 3533, withdraw the balance from trust and offset with a cash disbursement or no fee money order.

### 724.2 Handling a Negative Balance

If the balance due is not paid, reduce suspense and enter the amount to AIC 606, EMCA Uncollectible. Complete Form 2134, *EMCA Uncollectible* ([Exhibit 724.2](#)), for each account. Use the following guidelines:

- 1> Type entries on Form 2134 where possible.
- 2> Assign a four-digit control number sequentially.
- 3> Maintain a log of four-digit control numbers with space for customer name.
- 4> Complete Form 2134 to include installation and customer telephone number with area code.
- 5> Mail original Form 2134, and a copy of the mailing statement, if available.
- 6> Keep duplicate Form 2134 on file by customer name to assist in responding to inquiries from customers.

Once you have submitted the debt to CSC, do not accept any payments at the local post office. Return payments received at the local post offices to the customer with instructions to deal directly with CSC. You may furnish a customer a penalty envelope for mailing the payment to CSC. If the customer has cash, sell the customer a postal money order.

## 73 Application and Annual Fees

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Permission to mail permit imprint, periodical, or most other special rates requires a review of the application and the establishment of post office control systems. Fees are charged to offset the cost of administration and record keeping.

### 731 Collecting Application Fees

- >> Collect a one-time nonrefundable charge in advance for the following:
- AIC 139, Periodical Application Fees.
  - AIC 140, Permit Imprint Application Fees.

732 **Collecting Annual Fees**

>> Collect the following annual fees once each 12-month period:

Title	AIC	PSFR
Business Reply Mail Annual Accounting Fee	116	03
First-Class Presort Mailing Fee	117	03
Special Standard Mailing Fee	118	03
Business Reply — Annual Permit Fee	134	03
Annual Bulk Mailing Fee	138	03
Merchandise Return Service — Annual Mailing Fee	141	03

733 **Accounting for Fees**

>> Enter all fees on Form 3544. Make sure you have clearly identified each Form 3544 to the proper AIC for entry to the accountbook.

## 74 Money Orders

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741 **General Information**741.1 **References**

For procedures on issuing and redeeming domestic money orders, see DMM Module S020. International money order information is in IMM, Part 391. Collect on delivery (COD) procedures are in DMM Module S921.

741.2 **Recording the Money Order Business Day**

>> When you issue money orders, show the current day's date regardless of the time the issue location is open for business. Record voucher amounts and fees on Form 1412, *Daily Financial Report*, for the date of issue. Any individual postal customer purchasing money orders with a total face value between \$3,000 and \$10,000 must complete Form 8105, *Money Order Transaction Report*, as required by DMM Module S020.1.

**Note:** Customers are restricted from purchasing money orders exceeding \$10,000 in a single day.

### 741.3 **Handling Stolen or Lost Domestic Money Order Form Sets and Equipment**

#### 741.31 **Money Order Form Sets**

- >>** If money order form sets have been stolen or lost, immediately telephone or contact the inspector in charge and report the serial numbers of the missing forms. If you later recover any of these forms, void them and notify the inspector in charge. Do not use recovered money order forms.

#### 741.32 **Money Order Equipment**

- >>** If money order imprinters are lost, stolen, or destroyed, immediately telephone or contact the inspector in charge and report the serial number(s) of the equipment. Postmasters or managers should contact their district office for replacement money order equipment. Notify the inspector in charge if any equipment is recovered.

### 742 **Handling Money Order Form Sets**

#### 742.1 **Handling Requisitions — All Issue Locations**

- >>** To request money order sets, submit a requisition in multiples of 100 on Form 17 once each postal quarter, if adequate security is available. Send Form 17 to the stamp distribution office (SDO) or stamp distribution network (SDN) servicing your office.

#### 742.2 **Distributing Money Order Form Sets**

##### 742.21 **To Issue Locations**

- 1>** The SDO or SDN must not split packages of 100 money order form sets between issue locations.
- 2>** Distribute to issue locations each accounting period beginning with the lowest serial number.
- 3>** Complete Form 17, in triplicate, listing the first and last serial numbers on the forms. Keep the original, send one copy with each shipment, and forward the other copy to the accounting unit at the statement of account office.
- 4>** The custodian of accountable paper will maintain a file of Forms 6990 in sequential order by money order serial number. The accountbook unit will file its copy by date in issue location order.

##### 742.22 **To Window Clerks**

- >>** Do not split a package of 100 domestic money order form sets between window clerks. Money orders must be issued in ascending serial number sequence. Acknowledge the receipt of blank money order sets by signing a Form 17. Verify the continuity of serial numbers of broken packages upon receipt and unbroken packages when opened.

### 742.23 **To the Postmaster Relief or Replacement**

- >>** In offices where both the postmaster and the postmaster relief or replacement employee make sales out of the main stock, only one package of money order form sets should be open at one time.

### 742.3 **Verifying Receipt of Money Order Form Sets**

- 1>** Money order form sets come 100 to a package, 10 packages (1,000) to a box, and 5 boxes (5,000) to a carton. Record the serial numbers in Part III of the accountbook in statement of account offices or in the record book at SFAP units.
- 2>** Verify the continuity of serial numbers by looking at the outside labels when you receive more than one carton or box. Verify packages by the first serial number shown on the front.
- 3>** Do not open cartons, boxes, or packages just to verify serial numbers. You can verify the numbers when it is necessary to issue the form sets.
- 4>** If the number of boxes or packages received does not agree with the invoice, the post office or SFAP unit will report the facts by memorandum to the SDO or SDN. Retain a copy of the memorandum.
- 5>** If there are fewer than 100 form sets, 10 packages to a box, or duplicate serial numbers, the post office or SFAP unit should report the facts by memorandum to the following address:

ST LOUIS ACCOUNTING SERVICE CENTER  
 BLANK STOCK  
 MONEY ORDER BRANCH  
 PO BOX 82441  
 ST LOUIS MO 63182-2441

Submit a copy to the SDO or SDN. Keep a copy of the memorandum.

## 743 **Controlling Money Orders**

### 743.1 **Controlling by the Issuance Clerk**

#### 743.11 **Non-IRT Office**

At the close of each business day, run an adding machine tape of money order amounts and fees. Prepare the tape as follows:

- 1>** List the amounts and appropriate fees in serial number sequence.
- 2>** Leave a space on the tape where a spoiled money order would normally appear numerically. Write the serial numbers of spoiled money orders in these spaces. Destroy all parts of the money order immediately.
- 3>** Write on the tape next to their respective amounts the serial numbers of the orders issued.
- 4>** Date stamp and sign the tape at the top.



**743.12 IRT Office**

- 1>** Print a money order list on the IRT.
- 2>** Verify each money order voucher against the serial number and amount printed on the listing.
- 3>** Make corrections to the list as necessary by using the change or void money order function.
- 4>** Date stamp and sign the list at the top.
- 5>** The totals from the listing are entered automatically to AIC 100 for amount, and AIC 101 for fees. For money orders issued without charging a fee, enter the fee amount to AIC 586.
- 6>** Submit vouchers, adding machine tapes, IRT listings, customer copies of any no fee money orders issued, and Forms 8105 as support for the Form 1412. Give money order imprinter and blank form sets the protection described in section 416.

**743.2 Controlling at All Offices Except Contract Postal Units or Community Post Offices**

The manager or designated employee must do the following:

- 1>** Prepare a second independent adding machine tape of the individual vouchers to verify that the adding machine tape or money order listing totals agree with the Forms 1412 received from each issuing clerk. For IRT offices, run a unit Form 1412 IRT listing and verify with the individual vouchers.
- 2>** Verify the following:
  - That all vouchers have the same date of issue.
  - That clerks use money orders in serial number sequence (first 10 digits).
  - That each clerk is identified on the adding machine tape or listing.
  - That each clerk has identified and submitted the spoiled money orders as a separate group.
- 3>** Make sure any customer receipt copies for no fee money orders represent proper issues for this purpose.
- 4>** Where COD money order business is involved, continue to use appropriate procedures in DMM Module S921.
- 5>** Make sure unit Form 1412 totals of amounts and fees equal the amounts and fees from issuing clerk Forms 1412.
- 6>** Fasten all Forms 8105 together and submit daily along with the unit Form 1412 to the accountbook unit.

743.21 **Non-SFAP Offices**

- >> Submit the unit Form 1412 to the accountbook unit with all adding machine tapes, IRT listings (issuing clerks and consolidation), vouchers, and customer receipt copies with the related invoices.

743.22 **SFAP Offices**

- 1> Retain IRT listings (issuing clerks and consolidation), voucher, and customer receipt copies representing no fee orders, and submit upon request.
- 2> Each classified unit of a multi-unit post office will initiate a Form 6349, *Issued Money Order Sales Record*, at the beginning of each accounting period (AP) and enter each day's sales and fees. Total the sales and fees columns on the Form 6349 and submit with the Form 1412 for the last day of the AP.
- 3> Single unit post offices and issuing clerks must not maintain Forms 6349. Post offices with electronic data processing capability may generate Form 6349 by issuance unit at the close of the AP.

743.3 **Controlling at Contract Units**

- >> Submit vouchers, spoiled money orders, and adding machine tapes to support Form 1412 to the accountbook unit.

743.4 **Controlling at the Accountbook Unit**743.41 **Form 1412 from Contract Units**

- >> Perform the procedures contained in section 743.2, steps 1 and 2.

743.42 **Forms 6349**

- >> Initiate a Form 6349 for each contract unit at the beginning of the AP and transcribe amounts and fees from their Forms 1412. Total each form at the close of the AP. Post offices with electronic data processing capability may generate Form 6349 by issuance unit at the close of the AP.

743.43 **Forms 8105**

- >> File forms by issue date and forward to the St. Louis Accounting Service Center (SLASC).

743.5 **Handling a Lost Money Order Voucher**743.51 **Known Amount**

- >> If a money order voucher is lost but you know the amount of the money order, account for the known amount in entries made to the adding machine tape, IRT listing, Form 1412, and the accountbook. Prepare a facsimile including the serial number, date, six-digit issue ID, and dollar amount. If you do not know the issue date, leave it blank. Sign, enter

the post office cost ascertainment grouping (CAG), and mail as addressed.

#### 743.52 **Unknown Amount**

- >>** If a money order voucher is lost and you do not know the amount, send Form 6401, *Domestic Money Order Inquiry*, to the money order branch at once. When the form is returned, make adjustments for the following circumstances:

If...	Then...
You receive the Form 6401 response before you have submitted the statement of account for the period,	The issuing clerk must post the money order amount and fee to AIC 100 and AIC 101 and decrease sales by the total amount.
You do not receive the response before submitting the statement of account,	Do not attempt to estimate the amount of the missing order. Have the issuing clerk record the appropriate amount in trust awaiting the statement of difference.

#### 744 **Submitting Vouchers**

##### 744.1 **IRT Offices**

- >>** Offices using an IRT and transmitting daily to the DAO do not need to submit vouchers to the DAO. Vouchers must be stored locally. Store in date order by issue ID. Retain vouchers until the money order reconciliation for the period is completed. If an IRT transmission fails, send the vouchers to the DAO.

##### 744.2 **Non-IRT Offices**

After daily verification, store the vouchers and prepare for shipment in the following manner:

- 1>** Pack vouchers in box(es) by issue ID locations. You may use envelopes instead of boxes where volume warrants.
- 2>** Place any facsimile vouchers in the front of the box. Do not include spoiled vouchers.
- 3>** Seal the box and place the gummed label on the box showing the finance number, AP, and box number (e.g., 1 of 10, 2 of 10, and so on).
- 4>** Do not include extraneous materials such as adding machine tapes, rubber bands, or paper clips.
- 5>** Send money order vouchers to the DAO each Monday. If Monday is a holiday, send them the next working day.
- 6>** Send Forms 8105 to the DAO.

### 744.3 **District Accounting Office**

- 1> Print the standard field accounting system (SFAS) money order voucher electronic transmission (MOVET) report and compare to the MOVET report generated by SLASC.
- 2> Resolve any differences.
- 3> Consolidate all vouchers from nontransmitting offices in boxes. Each Wednesday place the boxes in pouches labeled "From (District)" and mail to the following address:  
 MONEY ORDER BRANCH  
 SLASC  
 PO BOX 82443  
 ST LOUIS MO 63182-2443  
  
 If Wednesday is a holiday, submit on Thursday.
- 4> Collect Forms 8105 from all associate offices, maintaining them in issue date order by office. Each Wednesday send them to the following address:  
 MONEY ORDER BRANCH  
 SLASC  
 PO BOX 82445  
 ST LOUIS MO 63182-2445

### 745 **Verification by the Money Order Branch**

The post office must report domestic and international money order sales and fees to the Minneapolis Accounting Service Center (MNASC) on the statement of account. The MNASC will report these amounts to the money order branch at the SLASC. The money order branch processes the money order vouchers by machine or by IRT transmissions. After all money order vouchers have been processed, the money order branch will match the totals against the amounts on the statement of account. Applying the tolerances listed in Section 745.1, the money order branch will issue difference listings to out-of-balance post offices.

### 745.1 **Tolerance for Money Order Reconciliation**

#### **Non-District Offices (Statement of Account Post Office)**

SOA offices are authorized a \$50 tolerance for money order sales and a \$10 tolerance for money order fees. A money order reconciliation will not be issued for offices that are within these tolerances.

#### **District Accounting Offices (SFAP Units)**

DAOs are authorized a \$50 tolerance for money order sales for each issue ID. No tolerance is applied for money order fees.

## 745.2 Difference Listings

Difference listings are computer printouts. Regardless of the number of pages involved, these printouts are in four parts:

- Money order issued — Report of differences (2 copies).
- Sales and fees summary by location (1 copy).
- Postmaster accountability detailed listing of vouchers and money orders (1 copy).
- Guide for reconciliation (1 copy).

## 745.3 Money Order Issued — Report of Difference

This part includes all stations, branches, contract postal units, and SFAP units. The top portion shows the total sales and fees for the AP for each issue location that reports to the post office. It also indicates on what page of the report the daily totals and detail for that particular issue location appear. These totals should agree with the entries to money order sales and fees on the Forms 6349 or accountbook.

NAME OF AREA		POSTMASTER ACCOUNTABILITY - SUMMARY		STATE	
MONEY ORDERS ISSUED--REPORT OF DIFFERENCES FOR FISCAL YEAR		NAME OF POST OFFICE		AP	QTR
TOTAL SALES PER MOC SUMMARY	6,685.28	6,695.74	TOTAL SALES PER POSTMASTER STMT	DIFFERENCE 10.76-	
NET ADJUSTMENTS (MOC-0100 COL 7)			NET ADJUSTMENTS (MOC-0100 COL 9)		
TOTAL ADJUSTED SALES PER MOC			TOTAL ADJUSTED SALES PER PMSA	POSTED BY	
TOTAL FEES PER MOC SUMMARY	88.40	88.40	TOTAL FEES PER POSTMASTER STMT	DIFFERENCE	
NET ADJUSTMENTS (MOC-0100 COL 8)			NET ADJUSTMENTS (MOC-0100 COL 10)		
TOTAL ADJUSTED SALES PER MOC			TOTAL ADJUSTED SALES PER PMSA	POSTED BY	
MOC SUMMARY BY ACCOUNTING PERIOD					
AP	SALES	FEES			
01	2,212.51	27.20			
02	1,709.13	24.65			
03	2,763.64	36.55			

The bottom portion compares the totals of sales and fees as read from vouchers by the money order branch with the amounts that were reported by the post office on the statement of account. The differences appear on the extreme right of the form.

>> Retain one copy locally and submit one copy with the completed reconciliation.

## 745.4 Sales and Fees Summary by Location (two parts)

### Sales and Fees by Location

This shows the total sales and fees for each day in the AP or PQ for one issue location. The grand total of sales and fees appears at the bottom. If there is more than one issue location for a post office, there will be a printout for each.

## Part 1:

---

SALES AND FEES SUMMARY BY LOCATION									
*** PRINTED BELOW THE MONTH AND DAY COLUMN REPRESENTS A SALES AMOUNT THAT EXCEEDS MAXIMUM									
MO/DAY	SALES/ FEES	MO/DAY	SALES/ FEES	MO/DAY	SALES/ FEES	MO/DAY	SALES/ FEES	MO/DAY	SALES/ FEES
09/19	131.56	09/28	133.63	09/21	50.00	09/23	312.35	09/26	54.61
	5.10		.85		.85		2.55		1.70
09/28	25.00	10/02	218.27	10/04	53.00	10/06	113.06	10/10	104.15
	.85		3.40		.85		3.40		1.70
(DATES CONTINUED)									
AP01		TOTAL SALES		2,212.51		TOTAL FEES		27.20	
PLUGGED DATE AP01		TOTAL SALES		.00		TOTAL FEES		.00	
AP02		TOTAL SALES		1,709.13		TOTAL FEES		24.65	
PLUGGED DATE AP02		TOTAL SALES		.00		TOTAL FEES		.00	
AP03		TOTAL SALES		2,763.64		TOTAL FEES		36.55	
PLUGGED DATE AP03		TOTAL SALES		.00		TOTAL FEES		.00	
ALL AP'S		TOTAL SALES		6,685.28		TOTAL FEES		88.40	

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**Differences Between the Cashed Money Order and Voucher**

>> When you find a monetary difference between a money order and its applicable voucher, list the serial number, date of issue, money order amount, voucher amount, and the amount of the difference for each discrepancy.

**Note:** The money order amount is the amount used by the money order branch in computing the daily issue total.

## Part 2:

---

NAME OF AREA	POST OFFICE	NAME	STATE
MONEY ORDERS ISSUED--REPORT OF DIFFERENCES FOR FISCAL YEAR AP QTR			
MONEY ORDER SALES AND FEES SUMMARY BY POST OFFICE--PER VOUCHERS (INCLUDING ALL STATIONS, BRANCHES AND UNITS)			
PLEASE NOTE THAT AN ASTERISK (*) BEFORE A SALES AMOUNT REPRESENTS AN AMOUNT OVER MAXIMUM IS IN THIS LOCATION.			
LOCATION	SALES	FEES	LOCATION

---

## 745.5 Postmaster Accountability Detailed Listing of Vouchers and Money Orders

This shows each voucher and money order processed by the money order branch.

There are seven alphabetic codes across the top portion. They indicate the source of the data. The code precedes the sales amount figure. Codes B and C are the most common.

POSTMASTER ACCOUNTABILITY - SUMMARY													
NAME OF AREA		POST OFFICE FINANCE #		DETAIL LISTING OF VOUCHERS, MONEY ORDERS AND SPOILED FOR FYAP								QTR	
A= MONEY ORDER		B= VOUCHER		C= BOTH		D=SPOILED		E= NEITHER		F= REPLACEMENT ISSUED		G= PLUGGED	
*** BEFORE THE FEES FIELDS REPRESENTS A SALES AMOUNT THAT EXCEEDS MAXIMUM.													
ISSUE LOC	ISSUE DATE	FIRST 9 DIGITS SERIAL NUMBER		0	1	2	3	4	5	6	7	8	9
TENTH DIGIT													
1234561	95/09/19	610386934* SALES FEES							C - 50.00 .85				
		610386935* SALES FEES	C- 23.72 .85	C- 16.97 .85	C- 23.90 .85	C- 11.97 .85	C- 5.00 .85						
ISSUE DATE TOTALS		SALES	131.56	FEES	5.10								
(DATES AND LISTINGS CONTINUED)													

### Definitions of Codes

A = The amount of the reported sale is based on the paid money order only (no voucher received).

B = The amount read from the voucher only.

C = Both the voucher and the paid order have been processed.

D = Spoiled money order.

E = The voucher is missing within a sequence of numbers. This does *not* mean that the voucher is missing from the entire printout; it may be listed under another date. The code does not appear when the first or last voucher for any given day is missing.

F = Replacement issued.

G = Plugged (restricted to accounting service centers)

The detailed listing is organized by issue location, issue date, and serial number sequence. The first nine digits of the serial number sequence are listed down the left hand side of the page, and the amount of the sales and fee are shown under the tenth digit of the serial number, indicated across the top of the page. If money orders are not listed sequentially on the printout, this indicates either that care has not been taken in setting the date on the imprinter, or that money orders have been deliberately or inadvertently sold out of sequence. The postmaster must take corrective action in any event.

## 746 Reconciling Money Order Differences

### 746.1 Isolating Differences

- 1> Compare the finance number and statement of account amounts, both sales and fees, to the finance number and statement totals used on the report of differences.

If the statement amount of the report is incorrect as printed, annotate the difference on the MOC-0100X and send a copy of the statement with the completed reconciliation.

- 2> Compare each issue location total listed on the report of differences to the Form 6349 or accountbook AP totals of sales and fees.
  - Annotate any differences on the MOC-0100X (minus any amount listed for an issue location that does not belong to your office).
  - When you complete this comparison, the differences annotated should total the difference indicated on your report of differences.
- 3> Use the page number indicated on the report of difference to find the detail or summary for locations that are out of balance.
  - Compare each day's total amount of sales and fees on the summary with those in the Form 6349 or accountbook.
  - Circle the days that do not match.
- 4> For days that do not match, the post office must compare each money order amount from clerk or unit adding machine tapes (or Form 1846) with amounts shown on the detailed listing. Daily amounts may differ for one of six reasons:
  - Consecutive days out of balance by the same amounts: If the differences for 2 consecutive days are offsetting, this discrepancy plays no part in isolating the real differences between the reporting unit and the money order center.
  - Sales shown for the last Sunday of the AP or PQ: Entries in the last Sunday occur because the date on the voucher was outside the inclusive dates of the accounting period. These amounts may not contain any part of the difference being researched, but it may be necessary to place them with the correct date according to the adding machine tapes to narrow the number of money orders to be researched.
  - Missing vouchers: Some vouchers may not be included on the printout.
  - Money order omitted on the adding machine tape or IRT listing: Some sales may not have been included on the adding machine tape or listings; money order sales were thereby underreported on the statement of account.
  - Individual money order amounts differ between the detailed listing and the unit adding machine tapes or IRT listings.
  - Money order reported twice.

#### 746.2 **Reconciliation Worksheet for Money Order Issue Location, Form MOC-0100X**

The Form MOC-0100X worksheet is used to list individual money order discrepancies to adjust the difference between the total sales and fees per MOC summary and per the statement of account as shown at the bottom of the Money Order Issued — Report of Differences. A separate MOC-0100X is used for each issue location. A master MOC-0100X is necessary when there is more than one issue location.



## 746.3 Making Entries to Form MOC-0100X

NAME OR AREA		POST OFFICE FINANCE #		POSTMASTER ACCOUNTABILITY - SUMMARY NAME (POST OFFICE)				(DOMESTIC) STATE			
STL ASC FORM MOC-0100X		FRONT US POSTAL SERVICE MONEY ORDER ISSUE LOCATION RECONCILIATION WORKSHEET				CLASS/CAG		FY		AP	
POST OFFICE NAME AND ZIP +4				FINANCE NO.		ISSUE LOCATION NAME			ISSUE LOCATION ID		
SERIAL NUMBER (1ST 10 DIGITS)		ISSUE DATE YR/MO/DA		AMT. ON POSTMASTER ADDING MACHINE TAPE		AMOUNT ON DETAILED LISTING		ADJUSTMENT TO MONEY ORDER CTR		ADJUSTMENT TO POST MASTER'S STATEMENT	
OR SERIAL RANGE		SALES		FEES		SALES		FEES		EXPLANATION	
1		2		3		4		5		6	
7		8		9		10		11			

**Note:** Required entries across the front of the form are shaded in gray.

## Completing Blocks 18 through 21

STL ASC USE ONLY		STL ASC USE ONLY		TOTAL COLUMNS 7 THRU 10		12		13		14		15			
16A		17A		TOTAL OF SINGLE MISSING VOUCHERS FROM BACK OF MOC-0100X		16		17		STL ASC USE ONLY					
TOTAL AS SHOWN ON THE MONEY ORDER CENTER SUMMARY		(ITEM 18 AND 19) AND FORM 6349 (ITEM 20 AND 21)		ADJUSTED TOTAL ITEM 22 AND 24 MUST EQUAL		18		19				20		21	
ADJUSTED TOTAL ITEM 22 AND 24 MUST EQUAL		ADJUSTED TOTAL ITEM 23 AND 25 MUST EQUAL				22		23				24		25	
												26			

- 1>** Make the following entries to the indicated blocks on the front of each form.
- Block 18 — The total sales from the bottom of the printout subtitled Sales and Fees by Location.
  - Block 19 — The total fees from the bottom of the printout subtitled Sales and Fees by Location.
  - Block 20 — The total sales from the Form 6349 for the appropriate issue location or from the statement of account for post offices with only one issue location.
  - Block 21 — The totals fees from the Form 6349 for the appropriate issue location or from the statement of account for post offices with only one issue location.
  - Enter the total of the blocks to the master MOC-0100X. They should equal the entries on the Money Orders Issued — Report of Differences.
  - Block 18 — Total sales per MOC summary.

- Block 19 — Total fees per MOC summary.
  - Block 20 — Total sales per postmaster statement.
  - Block 21 — Total fees per postmaster statement.
- 2>** Should any of the amounts above not agree with the printout amounts, recheck computations; then, if they still do not agree, make adjustments through the appropriate Form MOC-0100X.
- Block 18 — Enter the difference to column 7.
  - Block 19 — Enter the difference to column 8.
  - Block 20 — Enter the difference to column 9.
  - Block 21 — Enter the difference to column 10. If the printout amount is greater, the entry will be a plus (+). If the printout amount is smaller, the entry will be a minus (-).

#### 746.4 Handling Money Order Discrepancies

- 1>** When vouchers are missing from the entire detailed listing, enter them as follows:
- On the back of the form, list vouchers individually by serial number, date, and amount of sale and fee.
  - On the front of the form, enter the total of all missing vouchers in block 16 for sales and block 17 for fees. These are plus entries to be added to the amounts in blocks 18 and 19.
- 2>** When a series of money orders is missing entirely from the detailed listing, enter the following on the front of the form:
- Beginning and ending serial numbers in column 1.
  - Total sales in column 3 and total fees in column 4.
  - Total sales and fees in columns 7 and 8 as a plus (+).
- 3>** When a voucher amount reported on the detailed listing is shown as a spoiled or voided money order on the adding machine tape/listing or Form 1846, *Quarterly List of Money Orders Issued*, make the following entries to the front of the form:
- Serial number and date.
  - Zeros in column 3 and 4.
  - Amount of sale and fee from the detailed listing in columns 5 and 6.
  - The same amounts as minus (-) amounts to columns 7 and 8.
- Note:** To prevent such listing of spoiled or voided money orders, destroy the vouchers that correspond to them.
- 4>** When voucher amounts reported on the detailed listing do not appear on the adding machine tape, IRT listing, or Form 1846, and there is no indication the money order was spoiled or voided, make the following entries to the front of the form:
- Serial number and date.

- Zeros in columns 3 and 4.
  - Amount of sale and fee from the detailed listing in columns 5 and 6.
  - The same amounts as plus (+) amounts to columns 9 and 10. Request a photocopy of the money order on Form 6401. Collect the amount of sale and fee from the clerk or dependent unit and place in trust, money order differences. Remove the trust entry to offset the statement of differences when issued.
- 5>** When voucher amounts reported on the detailed listing are different from amounts on the adding machine tapes, IRT listings, or Form 1846, make the following entries to the front of the form:
- Serial number and date.
  - Amount of sale and fee from the adding machine tape, IRT listing, or Form 1846 in columns 3 and 4.
  - Amount of sale and fee from the detailed listing in columns 4 and 6.
  - If the detailed listing amounts are higher, enter the difference as minus (-) amounts to columns 7 and 8.
  - If the detailed listing amounts are lower, enter the difference as plus (+) amounts to columns 7 and 8. For each of the above money order discrepancies, submit a Form 6401.

#### 746.5 **Completing Form MOC-0100X**

- 1>** Subtotal columns 7 through 10 to blocks 12 through 15.
- 2>** Enter missing vouchers from the back of the form to blocks 16 and 17.
- 3>** Add blocks 12, 16, and 18 to arrive at block 22.
- 4>** Add blocks 13, 17, and 19 to arrive at block 23.
- 5>** Add blocks 14 and 20 to arrive at block 24.
- 6>** Add blocks 15 and 21 to arrive at block 25. Blocks 22 and 24 must be equal. Blocks 23 and 25 must be equal.

#### 746.6 **Consolidating Information**

- >>** If there is more than one issuing location with differences, consolidate the entries to blocks 12 through 25 from each Form MOC-0100X onto a master Form MOC-0100X. In the space for issue location and issue location ID, enter the word "Master."

## 746.7 Completing the Printout

There are net adjustment areas under the four total figures in the lower portion of the printout title, Money Orders Issued — Report of Differences.

- 1> Make the following computations from the master MOC-0100X and enter the results to the net adjustment areas of the printout, shaded in gray.

NAME OF AREA		POSTMASTER ACCOUNTABILITY - SUMMARY		STATE	AP	QTR
MONEY ORDERS ISSUED—REPORT OF DIFFERENCES FOR FISCAL YEAR		NAME OF POST OFFICE				
TOTAL SALES PER MOC SUMMARY			TOTAL SALES PER POSTMASTER STMT		DIFFERENCE	10.76-
NET ADJUSTMENTS (MOC-0100 COL 7)			NET ADJUSTMENTS (MOC-0100 COL 9)			
TOTAL ADJUSTED SALES PER MOC			TOTAL ADJUSTED SALES PER PMSA		POSTED BY	
TOTAL FEES PER MOC SUMMARY			TOTAL FEES PER POSTMASTER STMT		DIFFERENCE	
NET ADJUSTMENTS (MOC-0100 COL 8)			NET ADJUSTMENTS (MOC-0100 COL 10)			
TOTAL ADJUSTED SALES PER MOC			TOTAL ADJUSTED SALES PER PMSA		POSTED BY	

- Total blocks 12 and 16. Enter the result under the amount titled Total Sales Per MOC Summary.
  - Total blocks 13 and 17. Enter the result under the amount titled Total Fees Per MOC Summary.
  - Enter the amount from block 14 under the amount titled Total Sales Per Postmaster Statement.
  - Enter the amount from block 15 under the amount titled Total Fees Per Postmaster Statement.
  - Add or subtract the figures in all four sections and enter the results in the Total Adjusted lines. The total adjusted sales per MOC must equal the total adjusted sales per PMSA, and the total adjusted fees per MOC must equal the total adjusted fees per PMSA.
- 2> The postmaster must sign, date, and enter the telephone number including the area code of the post office in the certification area at the bottom of the printout. Forward the completed reconciliation, including both copies of all MOC-0100X and printouts, to the DAO. The DAO will review the package, sign, date, and then send one copy of the printout titled Money Orders Issued — Report of Differences and one copy of each Form MOC-0100X to the money order branch. Return the remaining copies to the post office for its records.

**746.8 Determining Money Order Branch**

Based on the claims made on Form MOC-0100X submitted by a post office, the money order center will examine its records.

If...	Then...
The MOC-0100X is found to be correct,	The only action will be to issue a statement of difference through the MNASC for those items listed in columns 9 and 10.
The money order center disagrees with Form MOC-0100X,	Send copies of changes with supporting documentation to the issuing office. It will issue a statement of difference for all discrepancies through the MNASC.

**>>** Anticipate statements of difference. What you do not know when you complete the Form MOC-0100X, you will know when you receive photocopies requested on Form 6401.

**746.9 Statement of Differences**

Form 800, *Statement of Money Order Differences*, will accompany a statement of difference from the MNASC.

**747 Handling Post Audit Requests**

- 1>** Request Form 800-B, *Money Order Post Audit Request* ([Exhibit 747](#)), from DAO.
- 2>** Complete Form 800-B and attach supporting documentation.
- 3>** Submit all information to DAO for review.
- 4>** DAO will forward to SLASC, money order branch.

**Note:** Differences of \$50 or less in sales will not be processed by the SLASC.

**748 Disposing of Blank Domestic Form Sets**

When a post office is discontinued or has substantial numbers of damaged form sets, destroy them by tearing or cutting into eight pieces or more. Send the following certification by memorandum to the following address:

MONEY ORDER BRANCH  
US POSTAL SERVICE  
PO BOX 82441  
ST LOUIS MO 63182-2441

I certify that domestic money order form sets, serial numbers  
[first serial number] to [last serial number] inclusive, were  
destroyed on [date].

Witnessed by: [name and signature]

## 75 Post Office Box and Caller Service

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### 751 Procedure References

The DMM contains procedures for post office box and caller service in the following modules:

- Post office box service — D910.1-D910.4.
- Refunds of post office box service fees — D910.5.
- Keys — D910.6.
- Caller service — D920.1-D920.4.
- Refunds of caller service fees — D920.5.

### 752 Accepting Payments for Box Rents or Caller Service

- 1> Prepare Form 1538, *Receipt for Box Rent and Caller Service Fees*, in triplicate. Send the copies as follows:

When You Receive	Send the	To
Form 3544	Original	Customer
	Duplicate	Support Form 1412, <i>Daily Financial Report</i>
	Triplicate	Receipt book

- 2> Use the receipt book in updating box holder records within the post office box section.

### 753 Reporting Box Rents or Caller Service

- >> Report revenue for box rent and caller service fees in AIC 115, 1 Year Box Rent or Caller Service Fee, and AIC 158, Six-month Box Rent or Caller Service Fee.

### 754 Controlling Forms 1538

- >> After you have entered to the unit Form 1412, file duplicate Forms 1538 in sequence for the required retention period. Investigate missing duplicates at once.

## 755 Reporting Payments for Keys and Post Office Box Lock Replacement

When You Receive	Send the	To
Form 3544	Original	Customer
	Duplicate	Support Form 1412, <i>Daily Financial Report</i>
	Triplicate	Receipt book

**Note:** IRT offices use the unit list in place of the triplicate.

- 1> Record revenue for post office box key deposits in AIC 123, Lobby Services.
- 2> Record revenue for post office box key nonrefundable fee (each key issued after the first two) to AIC 123.
- 3> Record revenue for post office box lock replacements or resetting of a post office box combination lock in AIC 123, Lobby Services.

## 756 Refundable Fees and Keys

Record all refunds of refundable post office box fees and key deposits on Form 3533 and enter to AIC 535, Refund of Fees — Retail Services.

# 76 Business Reply and Postage Due Mail

## 761 Handling Over-the-Counter Pickup

- >> Over-the-counter postage due mail is short-paid or business reply mail for which postage is collected directly from the customer upon delivery. Postage is not withdrawn from a Postage Due/BRM trust account.
- >> Upon receiving payment for the required postage and piece rates, affix stamp(s), meter strip, or PVI label to the article for the amount paid. Cancel postage stamp(s) before giving the article to the customer. Posting of collected funds is based on the type of postage affixed as follows:
  - AIC 090 for postage stamps.
  - AIC 109 for PVI labels.
  - AIC 110 for postage meter strips.

## 762 Carrier Delivery — City, Rural, and Star Route

Post offices must not use postage stamps, meter strips, or PVI labels on mail for delivery by carrier unless the addressee maintains an advance deposit trust fund account for payment. BRM and postage due mail must be consigned to city, rural, and star route carriers on Form 3584, *Postage Due Log* ([Exhibit 762](#)). The same form is used to clear carriers of responsibility.

**762.1 Consigning Business Reply and Postage Due Mail**

- 1>** The consignment clerk must ascertain that each article of BRM or postage due mail is clearly identified, showing the amount due, before sorting the mail to the carriers. The articles then must go to the appropriate carrier who will withdraw any articles known to be undeliverable.
- 2>** The consignment clerk must stamp the deliverable articles on the address side using Item 570, Rubber All-Purpose Dating Stamp. The consignment clerk then must count the number of articles and total postage due for entry on the appropriate route line of Form 3584. Carriers accept responsibility for the BRM and postage due mail by signing the postage due log.
- 3>** Rural carriers, at their option, may pay for their BRM and postage due mail at the time of consignment. When the carrier chooses to pay in advance, complete the checkout side of Form 3584 as above. In addition, record the amount collected and sign under the check-in portion. The carrier must initial in the appropriate column.
- 4>** Prepare separate forms listing routes served for each consignment clerk. Adequate security must be given the forms pending clearance of carriers. All entries must be made in ink. Changes must be initialed by the carrier and the postage due or clearance clerk.

**762.2 Clearing Business Reply and Postage Due Mail**

The clearance clerk should do the following:

- 1>** As carriers return from their routes, complete the carrier check-in section of Form 3584, entering the number of articles returned in the pieces column and their value in the amount column. Accept articles that are not date stamped as in section 762.1, step 2, but do not give them credit.
- 2>** Subtract the returned amount from the accepted amount to arrive at the amount to collect from the carrier. The carrier must pay the necessary funds and initial.
- 3>** Sign, releasing the carrier of responsibility. Send the returned articles at regular intervals to the appropriate customer service unit for over-the-counter delivery.
- 4>** If a rural carrier who paid the postage due in advance returns any articles, take the following steps using a blank line on Form 3584:
  - Enter the route number.
  - On the check-in side, enter the number of pieces and the amount in the mail returned columns.
  - In the amount collected column, enter the amount of the returned article(s) in brackets, thus representing a negative amount.
  - Refund the amount to the carrier.
  - Sign and have the carrier initial and the clerk sign.



**762.3 Validating the Form 3584 Returns**

- >>** At least once each accounting period, supervisory personnel must validate entries to the Form 3584 by making an independent count of randomly selected carrier BRM and postage due returns.

**762.4 Accounting Procedures**

- 1>** After clearing all carriers, the clearance employee must total the amount collected column and enter the total in AIC 114, Postage Due Invoices, on Form 1412.
- 2>** Submit the funds collected from the carriers and Form 1412, supported by the Form 3584, to the employee preparing the unit Form 1412.
- 3>** Submit Form 3584 with the unit Form 1412 to the accountbook unit at statement of account offices.

**762.5 Verifying Form 3584**

- >>** The amount collected column of the Form 3584 must be verified by the unit manager or supervisor at least once each accounting period. The individual line entries of one randomly selected Form 3584 from each delivery unit must be verified. The employee performing the verification must annotate the Form 3584 "Verified" and sign.

**763 U.S. Government Agencies****763.1 Agency Pickup of BRM and Postage Due Mail**

Agencies are authorized to pay for shortpaid mail with postage meter strips or penalty mail stamps. The meter strip must be in the exact amount of the postage due and must bear the current date.

The post office must affix the meter strip or stamps to the postage due mail, cancel, and hand to the agency employee.

**763.2 Handling Carrier Delivery — City or Rural to Agency**

- 1>** Enter postage due mail for an agency to a separate line on Form 3584. Write the route number and OMAS in the route number column.
- 2>** The carrier must collect a piece of paper on which the agency has placed a penalty mail stamp(s) or meter strip with the current date and exact amount of postage due.
- 3>** The carrier must present the paper bearing the meter strip or stamps to the clearance clerk.
- 4>** The clearance clerk must enter the amount of the meter strip or stamp(s) to the mail returned amount column. After ascertaining no discrepancy, the clearance clerk should tear the paper with the meter strip or stamp(s) in half and dispose of as trash.

## 764 **Advance Deposits for BRM and Postage Due Mail**

### 764.1 **References**

Other procedures for postage due advance deposits are in DMM Module P011. See DMM Module S922 for special instructions relating to business reply mail advance deposits.

### 764.2 **Withdrawing Postage Payments From Advance Deposit Accounts**

BRM and postage due mail may be paid through advance deposit accounts. Withdraw the amounts of BRM and postage due from the customer account(s) and enter to AIC 453. Withdrawal from Postage Due and Business Reply Advance Deposits, on Form 1412 and record on Form 3083. The offsetting entry to AIC 453 is AIC 114, Postage Due Invoices. The new Form 3582-P, *BRM/Postage Due Invoice*, is used for receipts to the customer unless an authorized electronic postage due system provides individual receipts. The new Form 3582-P should be prepared in duplicate. The postage due employee calculates and signs certifying the amount to be withdrawn from the customer advance deposit account. The original Form 3582-P is the customer's receipt; the duplicate copy is the supporting document for AIC 114. The postage due employee adds the total of all Forms 3582-P for the business day and certifies that the total amount equals the summary amount withdrawal on Form 3083. File locally.

The daily total amount withdrawn from advance deposit accounts is reported to AIC 453. Withdrawal from Postage Due and Business Reply Advance Deposits, with an offset entry to AIC 114, Postage Due Invoice, on Form 1412.

Offices with postage due invoice payment method customers should be in compliance with these procedures.

### 764.3 **Replenishing Forms 3582-P**

Requisitions for Forms 3582-P should be initiated by completing Form 7380, *MDC Supply Requisition*. Submit by either:

- cc:Mail to MDC Customer Service at *TOKS001L*
- Regular mail to:  
 SUPPLY REQUISITIONS (MDC)  
 US POSTAL SERVICE  
 500 SW GARY ORMSBY DR  
 TOPEKA KS 66624-9702

The relevant ordering information is as follows:

#### **PS Form 3582-P**

PSN: 7530-05-000-4539  
 PSIN: PS3582P  
 Edition date: August 2001

## 77 Handling Packaging Products

Packaging products sold in post offices are limited to items directly related to the preparation of matter to be entered into the mail stream. Sales are generally individual items purchased by nonbusiness mailers.

- >> Enter revenue from sales and, where authorized, the cost of merchandise purchased for resale in the accountbook. Do not carry the value of the inventory in the accountbook.

### 771 Reporting Revenue

#### Non-IRT Offices

Use	Enter Into	Accounting Procedures
Form 3317-A	AIC 093	Record each sale amount on Form 3317-A, which supports the Form 1412.

#### IRT Offices

Use	Enter Into	Accounting Procedures
None *	AIC 093	Record each sale amount into the IRT, which reports the amount on Form 1412

*\* Use of IRT function keys substitutes for recording sales.*

### 772 Controlling Packaging Products

- >> Provide security for district, post office, and unit packaging products commensurate with their value (cost). The security level must be no less than that for controlling office supplies. Maintain adequate records showing receipt and redistribution to selling units for 1 year at the post office.

### 773 Keeping Inventory Records for Packaging Products

- >> In post offices and selling units, maintain inventory records of each packaging product received for sale. A Form 2960, *Inventory Record*, or Form 25 for each item is adequate.

#### 773.1 Keeping Records at District and Post Office Levels

- 1> Increase the central inventory record when you receive items by either local purchase or shipment from a supplier or other post office.
- 2> Decrease the central inventory record when you distribute to other post offices and sell units.

### 773.2 **Keeping Records at Selling Units**

- 1> Increase the unit inventory record when you receive units from the distribution office or main office.
- 2> Decrease the record as a result of sales.
- 3> Compute the inventory at least once each PQ when you physically count the unsold items.
- 4> Enter a return of items to the main office or distribution office to the decrease column with a notation distinguishing it from sales.

### 774 **Making a Quarterly Analysis of Packaging Products**

At the close of each PQ, do the following:

- 1> Multiply the net decrease (inventory change minus items returned to main or distribution office) at each selling unit by the selling price of the item.
- 2> Compare the result to the amount entered to AIC 093 for the PQ.
- 3> Analyze and document the differences to determine the cause (pilferage, inaccurate recording of stock received or shipped, or failure to identify revenue correctly at the point of sale).

## 78 **Customs Collection and Collect On Delivery**

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### 781 **Collecting Customs Duty**

The Postal Service collects customs duties, taxes, and fees as shown on Form 3419-A, *Customs*, attached to each customs duty parcel. The Postal Service is paid for this service through a postage due charge collected from the customer at time of delivery (see section 76 for postage due procedures). This postage due charge is not collected on parcels that arrive from overseas U.S. post offices (civil or military); however, under no circumstance may the collection of U.S. Customs duties, taxes, and fees be waived.

For additional information, refer to *International Mail Manual*, chapter 7.

#### 781.1 **CAG A–G Offices**

#### 781.11 **Recording the Collection**

- 1> Report amounts collected through Customs Forms 3419-A on Form 1412 in AIC 054 of the trust funds received section. Do not include postage due and storage charges.
- 2> Verify daily that the total amount of collections as shown on Customs Forms 3419-A balances with the amount on Form 2944, *Receipt for Customs Duty Mail*.

- 3> Count Customs Forms 3419-A and prepare an adding machine tape to determine the total amount of all collections for the reporting period.
- 4> Record on Form 2932, *Customs Collections Summary*, in duplicate.

#### 781.12 **Following the Reporting Schedule**

- >> Submit reports of collection to the U.S. Customs Service on the following schedule:
  - New York City — daily.
  - Other CAG A–G post offices — by AP.

#### 781.13 **Authorizing Exceptions**

Exceptions to these criteria are authorized in offices receiving an average of 10 or fewer collections per week. These offices should do the following:

- 1> Submit collections individually using the procedures outlined in section 781.2.
- 2> Do not prepare Form 2932 for individual submissions.

#### 781.14 **Remitting Procedures**

At the close of each reporting period, prepare and forward remittances as follows:

- 1> Enter into APARS II or submit a no fee money order payable to U.S. Customs Service for the amount collected on Form 2932.
- 2> Mail USPS commercial check or money order with the original of Form 2932 and related Customs Forms 3419-A to the following address:  
US CUSTOMS SERVICE  
PO BOX 360840  
PITTSBURGH PA 15250-6840
- 3> Enter the USPS commercial check serial number or no fee money order number and issue date on the duplicate copy of Form 2932.
- 4> Retain as a record of customs remittance.

#### 781.15 **Reporting Accounting Entries**

- 1> Enter the amount of funds sent to the U.S. Customs Service in AIC 454, Custom Collections Withdrawal, on Form 1412.
- 2> Enter the amount in AIC 326, Disbursements Paid to San Mateo ISC, for USPS commercial check payments.
- 3> Enter the amount in AIC 100, the fee in AIC 101, and the fee offset in AIC 586 for money order payments.
- 4> File the customer receipt of the money order with other no fee money orders.

**781.2 CAG H–L Offices****781.21 Remitting by Money Order**

- 1>** Remit collections daily to the U.S. Customs Service by issuing of a no fee money order.
- 2>** Issue the money order in the exact amount of the collection as shown on original of Customs Form 3419-A.
- 3>** Enter “U.S. Customs Service” as payee on the money order.
- 4>** Enter the name of the individual or firm as shown on Customs Form 3419-A in spaces provided on the money order for the purchaser’s name.
- 5>** Do not enter the address.
- 6>** Enter the serial number of Customs Form 3419-A on the line entitled FOR.
- 7>** Enter the serial number of Customs Form 3419-A and the city and state of the issuing customs office on the customer’s receipt of the money order retained at the post office.
- 8>** Issue no more than two money orders if the amount of a customs collection exceeds the maximum value of a money order. Fill in each money order with the information required above.
- 9>** Send the money order with related Customs Form 3419-A to the address given in section 781.14.

**Note:** Be sure the information entered on the money order is exactly as shown on the Customs Form 3419-A.

**781.22 Filing**

- >>** File the customer receipt of the money order with other no fee money orders.

**781.23 Reporting Accounting Entries**

- >>** Include the amount of the money order in AIC 100 and the fee in AICs 101 and 586.

**781.3 Dealing With Discrepancies**

When the U.S. Customs Service finds a difference between the amount remitted by a postmaster and the amount shown on the supporting originals of Customs Form 3419-A, it notifies the postmaster. The postmaster reviews the report and makes any necessary adjustments.

**782 Collect On Delivery****782.1 Completion of Form 3822**

All units handling collect on delivery (COD) mail must complete Form 3822 in duplicate each day.

**782.2 Handling Carrier and Window Deliveries at Same Unit**

- >>** If both carrier and window deliveries are accounted for at the same unit, enter the collections for both on the same Form 3822.

**782.3 Systems A and B**

System A and system B are authorized. System A applies when all COD money orders are issued at the main office. System B applies when COD money orders are issued at delivery stations and branches, including rural stations and branches.

**782.31 System A**

- 1>** Issue payment as outlined in DMM Transition Book, section 914.6.
- 2>** Show separately the amounts to be remitted to the sender by check and by money order on Form 3822.
- 3>** List the amount of charges separately on the adding machine tape in the following order:
  - Amount of charges paid by check.
  - Amount of charges paid by cash.
  - Money order fee for each tag.
- 4>** Keep the tags in the same order as the amounts shown on the tape.
- 5>** Verify and forward the original copy of Form 3822 to the main post office window unit.
- 6>** Forward the duplicate copy of Form 3822 with the verified adding machine tape to the accountbook unit.
- 7>** Forward the COD tags to the unit that files the tags.

**782.32 System B****COD Clerk**

- 1>** Deliver directly to the money order clerk the COD tags with adding machine tape, the cash and checks, and Form 3822 in duplicate, each prepared as directed under section 782.31.
- 2>** Obtain the money order clerk's receipt on Form 3822.
- 3>** Deliver the original to the station or branch supervisor or designee, and keep the copy for 3 months.

**Money Order Clerk**

- 1> Verify the cash, the number of COD tags, and the amount shown on Form 3822.
- 2> Round-date and return Form 3822 in duplicate to the COD clerk.
- 3> Issue the money orders the same day delivery occurs, if practical, and return to senders with identification coupons, if any.
- 4> Attach the customer's receipts to the corresponding COD tags and deliver them with the adding machine tape, separately listing charges and money order fees, to the supervisor or designee, with funds representing COD money orders not issued.
- 5> Process COD tags with checks made payable to the mailer under DMM Transition Book, section 914.64.

**The Station or Branch Supervisor or Designee**

- 1> Receive the receipted original Form 3822 from the COD clerk and compare the amounts with the totals on Forms 3821, *Clearance Receipt*. They must agree.
- 2> Receive the COD tags from the money order clerk with customer's receipts attached.
- 3> Verify separately all COD tags annotated to show payment by check.
- 4> Record funds representing COD money orders not issued as trust funds on Forms 1412 in AIC 050, COD Funds, and Forms 3083.
- 5> Send COD tags to the main office for filing.
- 6> Keep the original Form 3822 and supporting Forms 3821 at the delivering station or branch and file by date. The cash is accounted for as money order funds on Form 1412.
- 7> Ensure that the station or branch does the review specified in section 782.4, step 7.

**782.4 Main Office Window Unit**

Follow these procedures at a main office window unit:

- 1> Issue the money orders and mail recipient's checks to the mailer, if paid by check. See DMM Module S921.
- 2> Staple the customer's receipt to the COD tag if appropriate, or annotate the back of the COD tag.
- 3> Add separately the amounts of the money orders and fees covering the tags from each unit. If the totals agree with those on Form 3822 and the adding machine, no further verification is necessary.
- 4> Complete the money order accountability report.
- 5> Forward receipted Form 3822 to the accountbook unit.



- 6> File COD tags in a separate file for semimonthly, monthly, or quarterly periods, by the last two digits of the package numbers.
- 7> Have employees who do not issue orders check 1 day's COD business each month to make sure money orders are properly prepared and promptly issued and that COD tags are properly annotated when paid by check. Make checks under both systems A and B.

#### 782.5 **Separating Duties**

- >> Do not assign an employee engaged in handling COD mail or funds or issuing COD money orders to handle inquiries or claims covering COD mail, unless this is unavoidable.
- >> Submit a statement of the facts to the district Customer Service manager under the following circumstances:
  - If the quantity of mail does not justify separate recording at delivery sections, and the duties can be done in one section.
  - If the duties of one or both sections can be done in the registry section.

## 79 Miscellaneous Receipts

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### 791 Sale of Equipment, Supplies, Scrap, and Waste

Other procedures are in Handbook AS-701, *Material Management*.

#### 791.1 Handling Capital Equipment

- 1> Furnish receipt Form 3544, *Post Office Receipt for Money*, for money collected.
- 2> Maintain the duplicate at the unit Form 1412 level.
- 3> Maintain the triplicate for detailed trust fund records.

**Note:** See Appendix A for appropriate AIC.

#### 791.2 Handling Miscellaneous Equipment

- 1> Furnish receipt Form 3544 for money collected.
- 2> Forward the duplicate with the Form 1412 as support to AIC 156, Funds Received From the Sale of Miscellaneous Equipment.

#### 791.3 Handling Motor Vehicle Sales

Management Instruction PO-750-87-5, Sale of Postal Vehicles, dated 07/17/87, contains the required procedures.

#### 791.4 Handling Sale of Waste Material, Scrap, and Supplies

- 1> Furnish receipt Form 3544 for money collected.
- 2> Forward the duplicate with the Form 1412 as support for the following write-in entries:
  - AIC 149, Sale of Waste Paper, Twine, Dead Mail, and other recycled matter.
  - AIC 151, Vehicle Supplies and Services: Reimbursements Other Than U.S. Government Agencies.

### 792 Damages Reimbursed

#### 792.1 Government-Owned Vehicles

##### 792.11 Having Repairs Made by a Contractor

- 1> Give the original receipt Form 3544 to the payee.
- 2> Maintain the duplicate at the Form 1412 level.
- 3> Maintain the triplicate for detailed trust fund records.
- 4> Enter the amount of payment in trust.

- 5>** Pay the contractor who repaired the vehicle by money order or USPS commercial check. Offset the entry in AIC 100 or 326 by a withdrawal from the trust fund, AIC 480.
- 6>** Keep at the Form 1412 level the commercial repair invoice to support details of the transactions.

**Note:** When you anticipate a delay in obtaining the reimbursement due to litigation or personal injury, compensate the contractor for repairing the vehicle on a Form 4541, *Work Order — Invoice for Vehicle Repair*. Forward Form 4541 to the accounting service center for payment. Enter any funds received from settlement claims in AIC 162, Reimbursement for Damages to Vehicles.

#### 792.12 **Having Repairs Made by VMF Personnel**

- 1>** Give the original receipt Form 3544 to the payee settling the claim.
- 2>** Forward the duplicate with Form 1412 as support for the entry to AIC 162.

#### 792.2 **Repairing Property Other Than Vehicles**

- 1>** Furnish receipt Form 3544 to a private party for reimbursement received for damages to postal property other than vehicles, such as street letterbox equipment.
- 2>** Keep the duplicate as support for the write-in entry to AIC 153 at the Form 1412 level.
- 3>** Do not use AIC 153 when delay in collection for damages requires that you issue Form 1902, *Justification for Billing Accounts Receivable*. See Management Instruction FM-810-93-3, Claims Against Private Persons for Damage to Postal Property, dated 12/01/93.

### 793 **Miscellaneous Revenue**

This category covers amounts received for items described in the table below. Enter the total amount in AIC 126, Miscellaneous Non-Postal Revenue. See section 634 for refunds.

References	Description
HBK AS-701	Collections for loss of postal property or damaged property sold as scrap.
HBK AS-702	Sales of expendable postal and building supplies and equipment not used in motor vehicle operations.
ASM 362.4	Commissions — telephone pay stations.
DMM Module F010	Net amount remaining from sale of undeliverable perishable matter.
DMM Module F010	Money found loose in the mail.
DMM Module F010	Unclaimed money from dead-letter mail.

References	Description
DMM Module F010	Sale of dead parcel post.
HBK F-1 Section 514	Trust fund balances unclaimed in 1 year.
HBK F-1 Section 724	Closing advance deposit accounts due to customer inactivity.
HBK F-1 Section 63	Undeliverable refunds.
HBK F-1 Section 823	Fees received for jury or witness duty.

## 794 Food Services and Vending Machine Reimbursements

See Handbook EL-602, *Food Service Operations*, for other instructions.

### 794.1 Food Concessions

Cafeterias and food vending operations in postal installations work through a contract between the Postal Service and a concessionaire. The Postal Service pays the concessionaire an operating fee instead of reimbursement for depreciation of equipment and utility costs. The amount of this fee must be established in each contract. Operating fees are normally a percentage of gross monthly sales.

- >> Maintain a file on monthly gross sales as reported by the concessionaire. Verify the collection of the appropriate operating fee. Record the fee payment in AIC 176, Reimbursement Miscellaneous Services, Non-Government Agencies.

### 794.2 Collecting Fees for Operations by Visually Impaired Vendors

Where visually impaired vendors operate a cafeteria (staffed or self-serve) under a contract with the Postal Service, do the following:

- 1> Collect the operating fee from the state licensing agency under the terms of the contract.
- 2> Do not charge a fee to the state agency for vending stands or facilities operated by permit under the provisions of the Randolph-Sheppard Act.

## 795 Release of Information Fees

### 795.1 Releasing Information

ASM, Part 352 covers how private persons obtain data about the Postal Service or its employees along with related fees. Correction of mailing lists is explained in DMM Module A910.

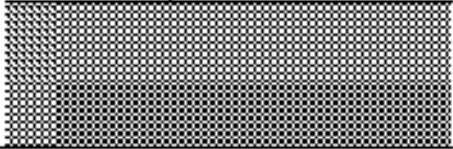
**795.2 Collecting Fees**

**>>** Furnish a receipt Form 3544 for all fees collected for furnishing such information and record as follows:

- AIC 120, Correction of Mailing Lists.
- AIC 127, Privacy Act Copying Fees.
- AIC 129, Change of Address Information Fees.
- AIC 198, Freedom of Information Fees.

## Exhibit 724.2

**Form 2134, EMCA Uncollectible**

U.S. Postal Service			
<b>EMCA Uncollectible</b>		Financial Number	Control Number
See directions on back of booklet. For copies, see customer service or write to: EMCA, P.O. Box 280419, East Hartford, CT 06128-0419.			
Post Office Information		Customer Information	
Address (City, State, ZIP Code)		Name	
		Address (City, State, ZIP Code) (For Customer)	
EPA2 Unit ID			
Telephone Number (Area Code & Complete Number)	EMCA Number	Date Closed	Telephone Number (Area Code & Complete Number)
		Reg. Amount	\$
<b>DUN AND BRADSTREET</b> <b>PO BOX 280419</b> <b>EAST HARTFORD CT 06128-0419</b>			
PS Form 2134, April 1990			

## Exhibit 747

## Form 800-B, Money Order Post Audit Request

UNITED STATES POSTAL SERVICE®		Money Order Post Audit Request (Only if Request for Entry)		
Office Address		ZIP Code		State
Area	District	Global Contact	District Telephone No. ( )	
Financial	Account	Initial Date	Accounting Period	Quarter
Special Adjustment, Remarks		Entry Adjustment Requested		
Reason for Money Order Post Audit Request				
<p>Documented in (checked) (checked) (checked) (checked)</p> <p>USPS Manual (checked) (checked) (checked) (checked)</p>				
<p><input type="checkbox"/> 15 Form 800-B (2004) <input type="checkbox"/> Statement of Differences from the Minneapolis ISO</p> <p>NOTE: The above documentation IS mandatory. Failure to attach it means an incomplete, delayed, or even no action on the request will be initiated on the request.</p> <p><input type="checkbox"/> Cashier <input type="checkbox"/> 15 Form 1555, Statement of Account (2004 A-G)</p> <p><input type="checkbox"/> Money Order Tapes <input type="checkbox"/> 15 Form 1048, Revised Money Order Journal (2004)</p> <p><input type="checkbox"/> Completed MOP (2004) <input type="checkbox"/> Special Money Order</p> <p><input type="checkbox"/> 15 Form 1048, Revised Money Order Journal <input type="checkbox"/> Photo copy</p>				
Printed Name and Signature		Date		
Return To:				
<p>REGULATORY COMPLAINT SECTION MONEY ORDER BRANCH ST. LOUIS INFORMATION SERVICE CENTER PO BOX 02448 ST. LOUIS, MO 63162-2448</p>				
Form 800-B, October 1997				

### Form 3584, Postage Due Log

[illegible]



# 8 Accounting Service Center Activities

## 81 Overview

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This chapter deals with the activities of the accounting services center (ASC). These activities fall under the following sections:

- |            |   |
|------------|---|
| Section 82 | Postal Service Employees                |
| Section 83 | Nonmetered Fuel, Supplies, and Services |
| Section 84 | Claims for Accountable Financial Loss   |

## 82 Postal Service Employees

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### 821 Uniform Allowance Program

Procedures for administering the Uniform Allowance Program are in the *Employee and Labor Relations Manual* (ELM), subchapters 935–937.

### 822 Employee Compensation

Compensation is defined in the ELM, Chapter 4. Detailed instructions for timekeeping are in Handbooks F-21, *Time and Attendance*; F-22, *Postal Source Data System* (PSDS), Time and Attendance; and F-22A, *PSDS Supervisors' Guide*.

#### 822.1 Distributing Salary Checks

A person's earnings are a private matter. No disclosure or discussion by personnel having access to such information should occur except as necessary in carrying out official duties. Salary checks and earnings statements must be kept in a secure place.

Mailed or transmitted salary checks, earnings statement, and the payroll register should reach installations by the Thursday immediately following the close of each pay period.

Distribute salary checks and earnings statements on a date other than the salary check date under the following conditions:

- 1> After local banks close on Thursday, distribute checks to employees whose regular tour of duty ends after local banks close on Friday.

- 2> If checks are available at the employee's pay location, an employee is not scheduled for duty on payday, or is scheduled for leave on payday, the employee must do one of the following:
  - Make arrangements to receive his or her paycheck at the end of the tour on Thursday.
  - Make arrangements according to section 822.3 or 822.4.
- 3> When Friday is a national holiday and Thursday is payday, distribute the salary checks and earnings statements at the end of an employee's tour on Wednesday to employees addressed in conditions above.
- 4> Distribute salary checks in advance only if the salary checks and earnings statements are available at the employee's pay location.

## 822.2 Receiving Salary Checks

- >> Verify the contents immediately when you receive the salary check shipment.

If	Then
The shipment includes checks for another installation,	Telephone the intended installation and the disbursing officer, Minneapolis Accounting Service Center (MNASC), and send checks to the correct installation by the fastest method.
Any installation has not received the correct salary check shipment by noon on the preceding day,	Notify the disbursing officer, MNASC.
An installation is missing 100 or more checks,	The ASC will initiate the stop payment procedure for the original checks.
An installation is missing fewer than 100 checks,	Issue interim salary advances.

**Note:** For terminated employees, do not release a final salary or terminal leave check until all Postal Service property charged to the employee is accounted for, and all known indebtedness is liquidated.

## 822.3 Handling Checks Mailed to a Designated Address

### 822.31 Using Form 3077, Request to Forward Salary Check

- 1> The employee must complete, sign, and submit Form 3077 to the custodian of the salary checks.
- 2> The custodian must forward the salary check to the employee's designated address in a penalty envelope.
- 3> Do not use Form 3077 for terminated employees under section 822.2.

**822.32 Restricting the Use of Form 3077**

- 1>** Restrict the use of Form 3077 to requests for mailing to the home or forwarding address when an employee is on leave or on temporary detail away from the regular installation.
- 2>** Request this service for the period of leave or detail.
- 3>** Deny continuous mailing of salary checks.

**822.4 Making Direct Deposits to a Financial Organization**

The Postal Service honors employee requests to forward all or part of their salaries for credit to their accounts at financial organizations.

**822.41 Establishing Terms for Direct Deposits**

Below are definitions of the terms for making direct payment:

<b>Term</b>	<b>Definition</b>
Financial organization	Any bank, savings and loan association, or similar institution, or federal or state-chartered credit union.
Employee	An individual who receives a check through the payroll system on a regular basis.
Allotment of pay for a savings account	An authorization from an employee for a recurring payroll deduction from salary or wages due, in a specified dollar amount, to be remitted to a financial organization of the employee's choice for credit to a savings account.
Savings account	An account (single or joint), the title of which includes the name of the authorizing employee, for the purchase of shares (other than shares of stock) or for the deposit of savings in any financial organization.
Net pay	The amount of salary or wages remaining after all payroll deductions for allotments of pay for savings accounts and all other payroll deductions.

**822.42 Completing an Application****Employee**

- 1>** Complete Form 1199-A, *Direct Deposit*.
- 2>** Send Form 1199-A to the financial organization for completion.
- 3>** Furnish name, Social Security number, and home address on the form (used primarily by the financial organization in corresponding with the employee).

**Financial Organization**

- 1> Furnish the employer identification number assigned by the Internal Revenue Service.
- 2> Furnish or verify the account number assigned the postal employee for deposits.
- 3> Complete the form with the name, address, and signature of the financial organization official.
- 4> Keep a copy of the form.
- 5> Return the original and duplicate copy to the employee.

**Postmaster or Other Designated Official**

- 1> Verify the Social Security number on the form.
- 2> Complete items 4 and 5 on the form.
- 3> Forward the original to the district human resources office.
- 4> Return a copy to the employee as a personal record.

**Note:** Direct all inquiries involving Form 1199-A to the district human resources office.

**822.5 Paying Net Pay to a Financial Organization**

An employee may request that the full amount of net pay due be paid to an account at a financial organization of the employee's choice. The employee must do the following:

- 1> Furnish the authorization on Form 1199-A. The financial organization by endorsing this form, states its willingness to act as this employee's agent.
- 2> Authorize the full amount of net pay due on successive payrolls, until the employee cancels the request in writing or otherwise terminates it.
- 3> Designate the amount to be credited by the account number and the account title. The title includes the name of the employee and any other name if the account is a joint account.

**822.6 Authorizing Allotments to Savings Accounts**

An employee may authorize an allotment of pay to a savings account. The employee must do the following:

- 1> Complete Form 1199-A.
- 2> Have no more than two savings allotments in effect at any one time.
- 3> Cancel an original request or change it by completing another Form 1199-A. The request will take effect the first pay period possible after the district human resources receives and processes the form.

**822.7 Resolving Salary Check Problems****822.71 Erroneous Salary Checks**

- 1>** Return the salary check to the ASC disbursing branch with an explanation when an error is in the name or Social Security number.
- 2>** Return the check to the disbursing branch with an explanation if the check is greater than the net due.

**822.72 Interim Salary Payments**

- 1>** Arrange for an interim salary payment to the employee of not more than the net amount due when the check does not arrive by the scheduled date or is returned to the ASC for the reasons stated above in section 822.71.
- 2>** Make an interim salary payment upon request of an employee when a full day's pay is missing and the employee's net pay is incorrect. The employee's scheduled work day is considered a full day's pay. A scheduled workday may consist of 2, 4, 6, 8 workhours.
- 3>** Do not authorize salary payments of less than a full day's pay.
- 4>** Do not make salary advances to terminated employees.
- 5>** Before estimating interim salary payments to an employee, review payroll records for amounts due the Postal Service such as prior period adjustment, Internal Revenue Service, or a garnishment order.
- 6>** Have the postmaster or appropriate supervisor prepare Form 1608, *Emergency Salary Authorization and Receipt*, in duplicate and have the employee sign the original.
- 7>** Make payment from postal funds and carry the amount in AIC 814.
- 8>** Submit the original Form 1608 to support the Form 1412.
- 9>** Submit the Form 2240, 2240-R, or 2243 to the district accounting office (DAO) for processing.
- 10>** Save the duplicate Form 1608 as a collection reminder.
- 11>** Upon receipt of the adjusted check, the employee must make immediate settlement.
- 12>** Remove the amount from AIC 814.
- 13>** Prohibit salary advances to employees under any conditions other than those stated in this section.
- 14>** The district Finance manager may authorize interim payments by postmasters at cost ascertainment grouping (CAG) A–G offices to employees of other field units of the Postal Service.
- 15>** Keep the authorized names and titles of supervisors on file with the postmaster.

**822.73 Lost, Stolen, or Destroyed Checks**

- 1>** If a pay check is lost, stolen, or destroyed after the employee receives it, the employee must notify his/her office and state in writing the pay period, their name, Social Security number, and the amount of the check; and explain the circumstances.
- 2>** The office notifies the MNASC disbursing branch. Notification should include employee's name, Social Security number, pay period or check date, check number (if known), and type of payroll payment (regular pay check or special payment). Also identify the facility making the request, the name of a contact person, and a telephone number including area code.
- 3>** Once the request for a stop payment or replacement check has been processed by MNASC, the request cannot be canceled. If the original check is recovered, it must be returned to the office making the request and destroyed.

**822.74 Undeliverable Checks**

- 1>** Return an undeliverable check promptly to the ASC disbursing branch.
- 2>** Provide a reason for nondelivery in a brief memorandum.

**822.75 Payroll Checks of Deceased Employees**

- >>** Immediately return payroll checks dated after the death of an employee to the ASC disbursing branch with a brief explanation. The lump sum benefits — money or compensation due (unpaid compensation) to beneficiaries — may be delayed until return of these payroll checks.

**822.76 Emergency Salary Payments**

The ASC will use emergency pay procedures whenever a significant number of time cards or time credits (non-timecard offices) do not arrive as scheduled. These procedures will generate salary payments for each week of the pay period for the following categories of employees:

- Forty hours of pay for full-time employees except for full-time rural carriers.
- Evaluation of the route for full-time rural carriers with FLSA codes of B or N.
- Limited tour of duty pay for part-time regular employees.
- Thirty hours of pay for part-time flexible employees in CAG A–F offices.
- Twenty hours of pay for part-time flexible employees in CAG G offices.
- Twenty hours of pay for transitional employees in CAG A–F offices.

**Note:** These procedures do not apply to: (1) casual or temporary employees, (2) transitional employees in CAG G–L offices, or (3) part-time flexible employees in CAG H–L offices.

Postmasters must not release checks to employees who were not in a pay status during the pay period for which the emergency payments were issued. Use interim salary payments to supplement any payments under the

emergency procedures as described in section 822.72. When the actual time credit information is input, salary adjustments will make any necessary corrections. These corrections will take into account any overpayments, underpayments, or leave charges. Salary checks for the subsequent pay period will reflect these salary adjustments.

#### 822.77 **Payroll Disaster Contingency Plan**

Should interruption of essential payroll functions occur at the Information Services and Accounting Service Centers (IS/ASC) facility, payroll checks will be printed and distributed from the San Mateo Information Service Center (SMISC) according to the emergency pay procedures outlined in section 822.76. Additionally, these procedures apply:

- Each office will be required to provide salary advances to those employees not paid under the emergency salary procedures.
- Salary advances should be given up to a maximum of 40 paid hours per week, provided the employee is missing a full day's pay or more. This includes those employees who were paid under the emergency salary procedures.
- No salary advances are to be given to employees for overtime or premiums such as night differential or Sunday premium.
- A "disaster" payroll register will be distributed from San Mateo to identify those employees paid and the number of hours paid (normal check register distribution).
- Checks will be sent to employees' current mailing addresses except checks for transitional employees. Employees are to cash their checks no earlier than the date listed on the check.
- Checks for transitional employees will be sent individually to the office. Postmasters must not release checks to transitional employees who were not in a pay status during the pay period for which the emergency payments were issued.
- Specific instructions will be provided to employees concerning allotments.

If a payroll check is lost, stolen, or destroyed during the disruption timeframe, the employee must follow the instructions listed in section 822.73(1). Office notification procedures listed in 822.73(2) will be contained in the specific instructions provided by Headquarters Payroll at the time of the disruption.

During the interruption and recovery periods, all communications will be disseminated from Headquarters Payroll Accounting. Do not attempt to contact the IS/ASC unless notified.

## 823 Handling Court Leave

### 823.1 Initiating Court Leave

At the time an employee receives notice for court leave, do the following:

- 1> Prepare Form 1224, *Court Duty Leave — Statement of Service*, in duplicate.
- 2> Give the original to the employee and send the duplicate to the timekeeper.

### 823.2 Terminating Court Leave

When jury duty is completed, do the following:

- 1> Recover from the employee the completed original Form 1224 or a court form properly certified.
- 2> Submit the properly completed duplicate Form 1224 directly to the DAO.

## 824 Travel Advances

For other procedures on travel, see Handbook F-15.

### 824.1 Amount Allowed for Travel Advances

When a postal employee must travel officially outside the official duty station on a planned one-trip basis, postmasters at CAG A–J offices may make cash advances not to exceed \$500 for travel expenses. For emergency one-trip travel, the same rules apply.

If the employee is not under the administrative control of the postmaster, the installation head or designated supervisor must present an advance approval along with the request to the postmaster. The sum advanced must not exceed the amount the postmaster believes is advisable within the above limitations, considering the character and probable duration of the travel and the availability of authorized credit cards.

### 824.2 Issuing Travel Advances

The postmaster or other appropriate official must do the following:

- 1> Prepare Form 1011, *Application for Travel Advance*, in duplicate.
- 2> Obtain the employee's signature on the original copy of the form and make payment from postal funds.
- 3> Send the original to the accountbook unit (or to the DAO for standard field accounting procedures (SFAP) units) to support the entry to AIC 814 and to serve as a collection reminder.



**824.3 Collecting on Travel Advances**

Bargaining employees must repay advances as soon as possible after their trip is completed. Nonbargaining employees obtain travel advances using the automated teller machine (ATM) feature of their individual government travel credit card. These advances are included on their credit card bill and are paid at that time.

**824.31 Submitting a Travel Voucher**

- 1>** Submit Form 1012, *Travel Voucher*, through the approving official, to the DAO for on-line processing.
- 2>** Direct the ASC to route the employee's travel reimbursement check.

**824.32 Handling a Travel Reimbursement Check**

- 1>** Repay promptly any excess funds due on a travel advance when you receive the travel reimbursement check.
- 2>** Pay the employee the excess when the check amount is more than the amount advanced.
- 3>** Collect the difference from the employee when the check amount is less than the amount advanced.
- 4>** Return the signed Form 1011 marked "PAID" to the employee.
- 5>** Remove the amount from suspense.

## 83 Nonmetered Fuel, Supplies, and Services

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**831 Nonmetered Fuel****831.1 Handling Nonmetered Fuel Receipt**

The ASC will pay for individual purchases or deliveries of nonmetered fuel when the total annual contract or cost is over \$500 at CAG A–J and over \$100 at CAG K and L post offices. As deliveries arrive, the postmaster or designee must do the following:

- 1>** Ensure that designated delivery tickets show the unit price, quantity, and cost.
- 2>** Check the unit price against the contract.
- 3>** Keep and file delivery tickets by date of delivery until receipt of the billing invoice.
- 4>** Keep post office and vehicle maintenance facility (VMF) tickets separate.

**831.2 Handling Nonmetered Fuel Submission**

- 1>** Staple related delivery tickets to the billing invoice.
- 2>** Verify that the total of the delivery tickets is equal to the total amount of the billing.
- 3>** Certify the vendor's invoices according to *Postal Bulletin* No. 21737, dated 8/10/89.
- 4>** Submit to San Mateo ASC with the appropriate delivery tickets for payment.

**832 Supplies and Services**

- 1>** Use Form 7334, *Order, Invoice, Voucher*, for transactions by contracting officers.
- 2>** Inspect the goods received or the services rendered.
- 3>** Have postmasters or other receiving officials sign and date the receiving report, copy 4, of Form 7334.
- 4>** Forward this copy immediately for payment to the San Mateo ASC, Attention: Miscellaneous Section (no purchase order form is necessary).

**833 Purchasing Vehicle Service**

The San Mateo ASC field contracts II section pays for all contract-type purchases for motor vehicle parts and supplies, with one exception.

- >>** Postmasters having VMFs are authorized to make local cash purchases of vehicle parts. Record purchases in AIC 614.

## 84 Claims for Accountable Financial Loss

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These procedures apply to the loss of items accounted for on the statement of account Form 1555.

**841 Financial Liability**

When an accountable financial loss occurs and evidence establishes that the postmaster faithfully and conscientiously enforced Postal Service policies, programs, and procedures for managing the postal installation, the Postal Service will relieve the postmaster of liability for the amount of the loss.

Should evidence prove the contrary, the Postal Service will charge the postmaster with the full amount of the loss. When a postmaster has been charged with a loss, the Postal Service may, on terms it believes just and expedient, compromise, release, or discharge in whole or in part the amount of the loss following the procedures in this subchapter. The decision of whether or not to make a financial claim against a postmaster under these

regulations does not necessarily affect any decision to reassign or take disciplinary action against the postmaster.

## 842 **Restriction on Claims for Loss**

- >> File a claim for loss after it is determined that no postal employee is to be held responsible for the loss. It is recognized, however, that evidence could surface after a postmaster's claim for loss that could justify a money demand upon an employee.

## 843 **Terms**

"Adjudicating authority" is defined as the management level designated to adjudicate claims for loss. The table below shows who is the adjudicating authority responsible for approving claims for loss.

### **Headquarters**

<b>Claims</b>	<b>Adjudicating Authority</b>
All claims except as noted below	Chief Financial Officer
Philatelic Stamps Sales:	
■ Over \$2,500	Stamp Acquisition and Distribution Manager
■ \$2,500 or less	Philatelic Sales Manager

### **Field**

<b>Claims</b>	<b>Adjudicating Authority</b>
If the District Manager Is Not the Postmaster	
All claims	District Finance Manager
Processing and Distribution Plants	
All claims	District Finance Manager
If the District Manager Is the Postmaster	
District post office:	
■ Over \$3,500	Area Finance Manager
■ \$3,500 or less	District Finance Manager
Associate post offices:	
■ All claims	District Finance Manager
SFAP reporting offices:	
■ All claims	District Finance Manager

## 844 Types of Losses

### 844.1 Claiming for Stock Loss

- 1> Make a claim for stock loss when it is reasonable to assume that the Postal Service will not be liable to perform a service or make restitution in connection with the stock. These losses include stock destroyed or mutilated by natural causes such as fire, flood, etc.; postage stock for which no service must be performed; and bird stamp stock that will not require reimbursement to the Department of the Interior.
- 2> Complete a memorandum for the record and immediately request Form 2130 from the DAO.
- 3> Make no accounting entries at this point.

### 844.2 Claiming for Cash Loss

- 1> Make a claim for cash loss for accountable financial losses other than those cited above. These losses include burglary, theft, robbery, unexplained losses of stock, and improper payments, which include wrong payment of money orders and forged or otherwise uncollectible checks. It is reasonable to assume that the Postal Service will be liable to perform a service or make restitution in connection with the loss.
- 2> Place in suspense at the time of the loss the portion of a claim for cash loss that pertains to postage and bird stamp stock loss.
- 3> Make the following entries on Form 1412:
  - For postage stock, increase AIC 090 and AIC 490, decrease AIC 805, and increase AIC 814, Suspense.
  - For bird stamps, increase AIC 091 and AIC 491, decrease AIC 806, and increase AIC 814, Suspense.

## 845 Using Form 2130, *Claim for Loss*

- 1> Request Form 2130 ([Exhibit 845](#)) from the DAO.
- 2> Complete the top section of Form 2130.

**Note:** Do not make any accounting entries at this point.

## 846 Documentation

### 846.1 Documenting Burglary or Theft of Accountable Paper or Funds

- 1> Submit a claim for loss after the Inspection Service has ascertained the amount involved in the burglary or theft.
- 2> Attach a copy of the interim Inspection Service report to the claim.

- 3> Submit a statement by the employee responsible for the accountable paper or funds, detailing the circumstances under which the loss occurred.

#### 846.2 **Documenting Loss or Shortage in Official Remittance (Including Money Order Remittance Shortages)**

- 1> Submit a statement by the employee, preparer, and witness who verified the remittance, explaining the procedures they used in preparing and dispatching the remittance.
- 2> Attach a copy of the letter reporting the loss to the Inspection Service.
- 3> Attach a copy of the debit memorandum from the bank notifying the post office of a shortage.
- 4> Attach a listing of all deposit shortages or overages reported by the bank for the unit involved during the previous 6-month period.

#### 846.3 **Documenting Loss of Accountable Paper in Transit**

- 1> Submit a statement by the employee who had access to and was responsible for filling and dispatching accountable paper requisitions, detailing the procedures used.
- 2> Submit a statement by the employee who received and examined the stock, giving details of the partial shipment loss.
- 3> Forward copies of the correspondence between the post office and the stamps division. The correspondence must include detailed information regarding steps taken to locate the missing registered article. This is only for losses or shortages of stock involving a shipment from the Government Printing Office, Bureau of Engraving and Printing, U.S. Stamped Envelope Agency, or private contractor.
- 4> Attach a copy of the letter reporting the loss to the inspector in charge.

#### 846.4 **Granting Relief of a Money Demand for a Grievance or Arbitration**

Do the following for granting a relief of a money demand to (1) a bargaining unit employee through the grievance/arbitration process, or (2) a nonbargaining unit employee or postmaster under the provisions of ELM, sections 450 and 460:

- 1> Submit a copy of the grievance or arbitration decision.
- 2> Submit a brief description by the postmaster of the circumstances or events that led to the action that resulted in the grievance being filed.
- 3> Submit documentation showing the action taken by the postmaster (training, instruction, improved security, etc.), if appropriate.

- 4>** Maintain adequate safeguards by following the procedures contained in this handbook to prevent further loss of postal funds as a result of a repetition of the facts involved in the particular case.

**Note:** Do not use the claim for loss procedures for counterfeit bills. AIC 407, Counterfeit Bills, is used to clear counterfeit bill suspense items.

## 847 Submitting a Claim for Loss

- 1>** Send copies 1, 2, and 3 of Form 2130 to the DAO with all necessary support documentation to be used by the adjudicating authority.
- 2>** File copy 4.

**Note:** Do not make any accounting entries at this point.

## 848 Adjudicating Claims

The adjudicating authority will allow or disallow claims. Complete section II of Form 2130.

### 848.1 Allowing Claims

#### 848.11 Adjudicating Authority

- 1>** Complete section II of Form 2130. Include type of loss (see [Exhibit 848.11](#)), amount of allowance, number of items, date adjudicated, and adjudicator's signature with office and mailing address.
- 2>** For Non-SFAP offices, send the original and copy 2 of the adjudicated Form 2130 and supporting documentation back to the originating office. Keep the adjudicated Copy 3 for files.
- 3>** For SFAP offices, keep the adjudicated original and copies 2 and 3 at the DAO.

#### 848.12 Originating Office

- 1>** With the adjudicated form as authorization, make the appropriate AIC entries according to the table below:

Make Entries at	Stock Loss	Cash Loss
1412 level	No entry	Clear suspense and post to AIC 633, Claims for Cash Loss.
Accountbook level	AIC 519, Postage Stock Loss, as described in section 844.1. Offset by a decrease in AIC 805. AIC 520, Bird Stock Loss, as described in section 844.1. Offset by a decrease in AIC 806.	AIC 633 as described in section 844.2. Offset by a decrease in AIC 814.

- 2> Keep copy 2 of Form 2130 and the accompanying documentation for audit purposes.
- 3> Make accounting entries as follows:
  - For Non-SFAP offices, transfer the entry on the accountbook to the statement of account (SOA).
  - For SFAP units, do not make any accounting entries. DAO will make all entries.
- 4> Send the original copy of the authorized Form 2130 with the statement of account to the ASC.
- 5> Verify the claim for loss entry on the SOA before submission.

## 848.2 Disallowing Claims

### 848.21 Adjudicating Authority

- 1> Complete section II of Form 2130. Include type of loss (see [Exhibit 848.11](#)), amount of disallowance, number of items, date adjudicated, and adjudicator's signature with office and mailing address.
- 2> Include a brief explanation on Form 2130 to validate the disallowance.
- 3> Return the adjudicated Form 2130 and all supporting documentation to the originating office.
- 4> Keep copy 3 for files.

### 848.22 Originating Office

- >> When a claim is disallowed in whole or in part, take actions to clear suspense items by collecting from the responsible individual.

## 849 Recovered Items

### 849.1 Recovered Cash Losses

#### 849.11 Handling Recovery for Items That Are Recovered After Submitting the Claim

- 1> Enter the amount in AIC 180, Recovered Claims for Loss.
- 2> Provide an explanation in the space for remarks on the reverse of the SOA.

**Note:** After submitting Form 2130, do not ask for the form back.

**849.12 Handling Recovery for Postage Stock or Bird Stamps That Were Part of the Cash Loss**

**1>** Enter the amount in AIC 180.

**2>** Reverse the stock entries as follows:

- For postage stock, decrease AIC 090 and AIC 490 and increase AIC 805.
- For bird stamps, decrease AIC 091 and AIC 491 and increase AIC 806.

These stock items are unsalable and handled as described in chapter 4, except for original cartons, sealed boxes, or unbroken packages.

**849.2 Recovered Postage or Bird Stamp Loss**

Items claimed in AIC 519 for postage stock and AIC 520 for bird stamps cannot be recovered because of the restrictive nature of these losses (see section 844.1)



Exhibit 845

**Form 2130, Claim for Loss**

<b>UNITED STATES POSTAL SERVICE</b>		<b>Claim for Loss</b>																																	
Section I — Request for Claim for Loss																																			
Post Office Name		Is a new Postage Meter being used?																																	
Date	Office Address	Post Office Number	Unit Number																																
Date of Loss	Amount	Postmaster's Signature																																	
Cause of Loss (Logging the entry)																																			
NOTE: POSTMASTERS DO NOT COMPLETE SECTION II UNTIL ADJUDICATED																																			
Section II — Adjudicator																																			
This claim for loss has been reviewed and based on the evidence submitted, the following decision has been made:																																			
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Approved																																			
Disputed																																			
Disallowed																																			
No opinion																																			
Date Adjudicated	Adjudicator's Signature																																		
Office one holding the record																																			
Section III — Accountbook Entry (To be completed by Statement of Account office)																																			
Accountbook Entry (Leave one of two boxes)	MICR — Postage Stud. MICR — Non-Metered MICR — Cash																																		
Amount of Accountbook Entry																																			
Date of the next Accountbook Entry																																			
Postmaster's Signature		Date																																	
Form 2130, October 1996		1-45C																																	

## Exhibit 848.11

**Claim For Loss Codes**

01	Bad Checks or NSF	35	Stamps by Mail
21	Bank Deposit Shortages	36	Miscellaneous (Including Salary Advance)
24	Accounting Grievance	37	Bank Deposit Lost
25	Accounting Other	38	Raised Money Orders
26	Money Order	39	Stamps by Phone
27	Burglary or Robbery	40	Stamps on Consignment
28	Fire or Flood	41	Credit Card Losses
29	Stock in Transit — BEP	42	Debit Card Losses
30	Stock in Transit — USSEA	43	Retail Store or Unit Accountability Losses
31	Stock in Transit — GPO	44	Phone Card Losses
32	Stock in Transit — Other	45	POS ONE Losses
33	Accountable Paper	46	Customs Duty Losses
34	Revenue Deficiency		

## Appendix A

# Account Identifier Code and General Ledger Account Crosswalk

Appendix A is currently under revision

## Appendix B

# Numerical Listing of Forms With Retention Period

Form Number	Title or Description	Retention Period
17	Stamp Requisition	
	Accountbook Unit or District Accounting Office Copies	4 years
	SDO/SDN Copies	2 years
17-R	Recapitulation Sheet	2 years
25	Trust Fund Account	1 year
571	Discrepancy of \$100 or More in Financial Responsibility	2 years
800	Listing of Differences in Postmaster's Money Order Accountability	2 years
1011	Travel Advance Request and Itinerary Schedule	1 year
1012	Travel Voucher	3 years
1096	Cash Receipt	4 years
1164	Claim for Reimbursement for Expenditures on Official Business	4 years
1199-A	Direct Deposit	13 pay periods
1224	Court Duty Leave — Statement of Service	3 years
1312	Local Transportation Payments	4 years
1412 Series	Daily Financial Report	
	Clerk or Station and Branch Copies*	
	Accountbook Unit or District Accounting Office Copies	4 years
1538	Receipts for Post Office Box/Caller Service Fees	4 years
1551 Series	Accountbook CAGs A–L	5 years
1555	Statement of Account (CAG A–L)	4 years
1556	Suspense Items Support Information	4 years
1608	Emergency Salary Authorization and Receipt	3 years
1839	Payment Record for Carrier Drive-Out Agreements	4 years
1846	Quarterly List of Money Orders Issued	2 years
1902	Justification for Billing Accounts Receivable	2 years
1908	Financial Adjustment Memorandum	1 year*
2130	Claim For Loss	4 years
2932	Customs Collections Summary	2 years

Form Number	Title or Description	Retention Period
2944	Receipt for Customs Duty Mail	4 years
2960	Inventory Record	2 years
3036	Record of Stamp Stock Requisitions	2 years
3077	Request to Forward Salary Check	13 pay periods
3083	Trust Accounts Receipts and Withdrawals	1 year
3176	Bank Transaction Record	4 years
3205	Requisition for Plain Stamped Envelopes	2 years
3210	Interim Receipt for Stamp Stock Submitted for Redemption	1 year
3216	Requisition for Postal Cards — Bulk Quantities	2 years
3220	Claim for Stamped Envelope Discount	4 years
3236	Uniform Allowance Cap Disbursements	4 years
3237	Stamp Stock Destruction Committee Notice of Appointment	3 years
3238	Stamps & Stamped Paper Destruction Certificate	4 years
3239	Authorization for Payroll Deduction to Liquidate Indebtedness	3 years
3294	Cash and Stock Count and Summary	
	Employees' Copies*	
	Postmaster or Installation Head Copies	2 years
3295	Daily Record of Stamps, Stamped Paper, and Nonpostal Stamps on Hand	1 year
3309	Advice of Shipment — Stamp Invoice	2 years
3317-A	Retail and Philatelic Products — Clerks' Daily Sales Record	1 year
3356	Stamp Requisition — Bulk Quantities	2 years
3368	Stamp Credit Examination Record	2 years
3369	Consigned Credit Receipt	3 years
3533	Application and Voucher for Refund of Postage and Fees	4 years
3543	Record of Second-Class Postage	1 year
3544	Post Office Receipt for Money	
	Accountbook Unit or District Accounting Office Copies	4 years
	Local Office Copies	1 year
3582-A	Postage-Due Bill	
	Accountbook Unit or District Accounting Office Copies	4 years
	Local Office Copies	1 year
3582-C	Postage-Due Invoice	4 years
3584	Postage-Due Log	4 years
3601-A	License To Use Postage Meter	2 years
3601-C	Postage Meter Activity Report	2 years
3602-A	Daily Record of Meter Register Readings	2 years
3602-N	Statement of Mailing With Permit Imprints, Third Class Mail (Nonprofit Rates Only)	4 years
3602-PC	Statement of Mailing Bulk Rates	4 years

Form Number	Title or Description	Retention Period
3602-PO	Postage Collected Through Post Office Meter	
	Accountbook Unit or District Accounting Office Copies	4 years
	Local Office Copies	1 year
3603	Receipt for Postage Meter Settings	
	Accountbook Unit or District Accounting Office Copies	4 years
	Local Office Copies	1 year
3605-R	Statement of Mailing — Bulk Zone Rates	4 years
3607	Weighing and Dispatch Certificate	2 years
3609	Record of Permit Imprint Mailings Under Domestic Mail Manual 145	1 year
3609-PO	Control for Post Office Meter	2 years
3610	Record of Postage Meter Settings	3 years
3613	Cancellation of Permit	4 years
3618	Local Setting of Postage Meter Licensed at Another Office	3 years
3958	Main Stock (or Unit Reserve Stock) Transaction Record	
	Accountbook Unit or District Accounting Office Copies	4 years
	Stamp Distribution Office Copies	2 years
3959	Daily Recap — Stamp Stock Transactions	2 years
3977	Duplicate Key Inventory (Envelope)	
	Employee's Copy **	
	Postmaster or Installation Head Copy	2 years
4541	Order — Invoice for Vehicle Repair	3 years
5625	Express Mail Custom Designed Receipt	6 months
6349	Issued Money Order Sales Record	2 years
6401	Domestic Money Order Inquiry	2 years
6990	Invoice — Money Order Forms	4 years
7444	Local Purchase Order	3 years
MOC-0100X	Money Order Issue Location Reconciliation Worksheet	2 years
	Money Order Vouchers	1 year
	Money Order Tapes	4 year

The retention column is based on the stated time period plus the current year.

\* Dispose after audit of accountability/next stamp credit examination, or resolution of differences, whichever is longer.

\*\* Return to individual or destroy when accountability is terminated.

## Standard Field Accounting Procedures

This appendix summarizes procedures for implementing standard field accounting procedures (SFAP) for post offices at district accounting offices (DAOs); identifies functions affected by SFAP; and explains accounting procedures to use in the transfer of accountability. For further information, see *SFAP Implementation Guide*.

### C1 General Information

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#### C11 **Authorization**

The DAO must obtain authorization from accounting at Headquarters prior to implementing SFAP at any post office or reporting unit.

#### C12 **National Policy**

##### C12.1 **CAG A–G**

National policy provides for SFAP functions at selected cost ascertainment grouping (CAG) A–G offices. Exceptions to this policy must be approved by accounting at Headquarters. Relegations will not affect the reporting status of any SFAP reporting unit.

##### C12.2 **CAG H–L**

Customer services area offices have the authority to expand SFAP accounting to selected CAG H–L offices.

#### C13 **Notification**

The DAO must notify stamp distribution at Headquarters and the Minneapolis and St. Louis accounting service centers (ASCs) at least two APs in advance of implementing SFAP at any post office. Actual implementation must occur at the beginning of a postal quarter (PQ).

**C14 Individual Post Office Data**

Various ongoing national programs require data by individual finance number, or by CAG categories. SFAP retains the reporting integrity by finance number and CAG for each consolidated reporting unit.

**C15 Definitions****SFAP Unit**

An SFAP unit is a post office, station, branch, or other reporting unit that transmits or submits daily financial data for consolidation into a single accountbook maintained in the standard field accounting system (SFAS) located in a DAO. Each SFAP unit is assigned a unique four-digit SFAS ID number. SFAP units are also referred to as reporting units.

**Selected Revenue and Expense Data (Form 1557)**

Form 1557 is an automated report generated each AP by the SFAS for each finance number. The form lists selected revenue and expense data by account identifier code (AIC) that has been reported by each SFAP unit within each finance number.

**C16 Preparation****C16.1 Pre-implementation Requirements**

The DAO must ensure that (1) the SFAP unit and stamp distribution office (SDO) have sufficient space, stamp stock levels, equipment, and personnel to support SFAP activities, (2) all personnel involved at the SFAP unit receive adequate training, and (3) a supply of necessary forms is available.

**C16.2 Implementation**

Upon receipt of authorization from accounting at Headquarters, the DAO must notify in writing the: (1) post office accounting manager at Headquarters, (2) Minneapolis Accounting Service Center (MNASC), postmaster accounts section, and (3) St. Louis Accounting Service Center (SLASC), money order branch. The written notices should be sent at least two APs in advance of planned consolidation and include the name of the post office, its finance number, and the schedule for implementation. Additionally, all money order issue location identification numbers should be listed by finance number for the SLASC.

**C16.3 Automatic Distributions**

Each postmaster must determine automatic distribution levels for each reporting unit within its finance number. This information must be provided to the DAO at least 60 days prior to implementation of SFAP. The DAO unit will notify the SDO or stamp distribution network (SDN) to adjust their stock requirements. Associate offices currently receiving bulk quantities directly from the manufacturers must notify the office of stamps at Headquarters,



through the DAO, that all automatic shipments must be shipped through the SDO or SDN for distribution. Notification must be made at least 60 days prior to consolidation.

#### C16.4 **SFAS Unit ID**

The DAO must assign a unique four-digit ID number to each reporting unit. If possible, the DAO should assign ID numbers within ranges to facilitate easy identification to a specific finance number and for future growth.

#### C16.5 **Advance Notice**

Postmasters must be advised at least 60 days prior to planned SFAP implementation to properly prepare for the transfer. The effective date of any transfer will be the close of business (COB) of the last day of the PQ.

## C2 **Transfer of Post Office Accountability**

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### C21 **Accountbook**

The accountbook must be completed and verified for the last day of the PQ by the postmaster or his or her designee.

### C22 **Trust Accounts**

The post office must submit to the DAO an itemized description by category, reporting unit, and amount of each master control trust account, such as permit imprint advance deposit accounts. Detail trust accounts, such as employee overages, must also be itemized by reporting unit.

Employee-related items must also be identified by Social Security number.

It is the postmaster's responsibility to ensure that all trust accounts are current and in balance. Totals from the detailed records (Form 25, etc.) must equal the amount claimed in AIC 200 on the statement of account. (The use of AIC 200 is discussed later in this appendix.)

### C23 **Cash Accounts**

#### C23.1 **Cash in Post Office**

Cash on hand, AIC 801, Cash in Post Office, must be identified by reporting unit as of the last day of the PQ. AIC 801 is reduced to zero on the last day of the PQ using AIC 599.

#### C23.2 **Cash in Bank**

The last National Data Corporation (NDC) call made by a banking post office occurs on the last day of the PQ. Funds accumulated for deposit on the last day of the PQ are entered to the *Bank Transaction Record* (BTR), Form 3176, as usual. The amount reported in AIC 802 on the last day of the PQ must be reduced to zero as discussed later in this appendix.

Each banking post office must provide the DAO with its NDC identification number and a copy of the Form 3176, *Bank Transaction Record*.

## C24 **Suspense Items**

Every effort must be made to clear outstanding items. Unresolved items should be listed by reporting unit on Form 1556, *Suspense Items Support Information*, with a full description of each item. The Form 1556 is submitted with the final statement of account. Employee related items must also be identified by Social Security number. AIC 814 must be reduced to zero on the last day of the PQ using AIC 599.

## C25 **Stamp Accountability**

The dollar amounts reported in AIC 805 and AIC 806 in the accountbook must be reduced to zero by reporting stock shipped to the DAO finance number. A separate Form 17 must be completed to transfer and support the entries in AIC 501, Stock Shipped, and AIC 502, Bird Stamps Shipped.

In addition, a copy of the unit Form 1412 for each new SFAP unit must be submitted to the DAO along with the final statement of account (SOA).

**Note:** The post office's main stock must be converted to a unit reserve stock and included in the unit Form 1412 accountability, AIC 853. Conversion must occur prior to the close of business on the first day the new SFAP unit begins reporting to the DAO.

Any bulk requisition submitted before consolidation and received after consolidation must be reported by item number and dollar amount to the DAO.

## C26 **Post Office Final Statement of Account**

After completing of the statement of account, make the following write-in entries:

- a. From the reverse of the statement of account, take the balances at the close of the PQ from section VII, trust funds, and post as separate write-in entries on the disbursement side of the statement of account to AIC 480, AIC 482, and AIC 483. Offset the total of these entries as a write-in entry to AIC 200 on the receipts side. Then adjust section VII to reflect the entries made on the front of the statement of account and show a zero balance.
- b. From the ending accountability, section IV, take the total AIC 801, AIC 802, and AIC 814 and enter it in AIC 599 on the disbursements side as a write-in entry. Line out the dollar amounts in AIC 801, AIC 802, and AIC 814 to show zero balances. Verify that the statement is in balance.

## C27 **Money Orders**

Report blank money orders by serial number group, separated by reporting unit, to the DAO unit with the final statement of account.

**C28 Accountable Forms**

Each post office should exhaust its supply of accountable receipt forms. Thereafter, the DAO supplies any needed accountable receipt form to the SFAP unit.

## C3 DAO Accounting for Transfers

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**C31 Accountbook**

The associate office (AO) reflects the transfer of its accountability on the final statement of account for the PQ, and the DAO incorporates the accountability on the accountbook for the first business day in the next PQ.

**C32 Trust Accounts**

The DAO makes entries, by SFAP unit, to the appropriate trust fund received AIC. These entries are offset with AIC 599. Prior to receiving the first day's business from the new SFAP unit, the DAO updates each unit in the SFAS file maintenance subsystem so that master control and detail items flow properly.

**C33 Cash Accounts****C33.1 Cash in Post Office**

Because the new SFAP unit will report any cash retained from the previous day in AIC 353, the DAO needs to change AIC 353 to AIC 200 in SFAS on the first day of consolidation.

**C33.2 Cash in Bank**

To account for the bank balance being transferred (banking post offices only) to the DAO, the balance of the BTR needs to be entered as a deposit on the unit Form 1412 for the consolidated post office. This entry is made to AIC 752, Final Remittance, and is offset with AIC 200.

**C34 Suspense Items**

Increase AIC 814 by entering the amount transferred on the SOA from the AO, by SFAP ID number, using the appropriate subaccount, such as AIC 761 for miscellaneous items. The detailed amounts will appear in trust and suspense system (TASS), for each SFAP unit.

**C35 Stamp Accountability**

The DAO picks up stamp accountability by making entries into AIC 005, Stamp Stock Received, and AIC 010, Bird Stamps Received, on the first day of the PQ.

**C36 Statement of Account**

The DAO must verify the entries made to AIC 200 and AIC 599 and ensure that the following is entered in the "Remarks" block on the statement of account of the first AP following consolidation:

Finance Number	AIC 200	AIC 599
XX-XXXX	\$XXXX.XX	\$X,XXX.XX
XX-XXXX	\$XXXX.XX	\$X,XXX.XX
XX-XXXX	\$XXXX.XX	\$X,XXX.XX
Totals:	<u>\$XX,XXX.XX</u>	<u>\$XX,XXX.XX</u>

**Note:** This information is used by the MNASC to reconcile offsetting AIC 200 and AIC 599 entries made on the final statement of account processed for the post office(s) consolidated at the beginning of the AP.

**C4 Post SFAP**

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**C41 Reporting SFAP**

Once consolidated, the new SFAP unit discontinues posting to the accountbook and reports like a station or branch to the DAO as follows:

- a. Each SFAP unit transmits a verified, consolidated unit Form 1412 and sends required supporting documents directly to the SFAP unit as outlined in chapter 2. Contract units will also report directly to the DAO unless the contract unit(s) is consolidated at an SFAP unit.
- b. The SFAP unit ID number must appear on all supporting documents.

**C42 Supporting Documents**

For SFAP units, see chapter 2, section 222.1.

For contract units and non-IRT transmitting classified units, see chapter 2, section 222.2.

**C43 Accountable Paper****C43.1 Stamps and Stamped Paper****C43.11 Stock Limits**

Stock limits for SFAP units are discussed in chapter 4, section 42.

**C43.12 Ordering**

SFAP units order accountable paper from the designated SDO/SDN or APD.

**C43.2 Money Orders**

The SDO or SDN is the sole source of supply for blank money order sets (domestic and international) for SFAP units.

**C43.3 Postage Meters****C43.31 Post Office Meters**

Form 3609-PO, *Control for Post Office Meter*, for all post office-owned meters (excluding PVI) is maintained at the SFAP unit.

**C43.32 Computerized Meter Resetting System Meters**

The DAO is responsible for tracking and reporting computerized meter resetting system (CMRS) revenue each AP for each SFAP unit.

**C43.4 Trust Funds**

Detailed records, such as Form 3609, *Record of Permit Imprint Mailings*; Form 3543, *Record of Second-Class Postage*; Form 25, *Trust Fund Account*, maintained for advance deposit postage due accounts, etc., are retained at each applicable reporting unit. Activity will be reflected on Form 3083, *Trust Accounts, Receipts, and Withdrawals*, and supported by individual documents. Form 3083 submitted to the DAO must always include the SFAP unit ID number.

**C43.5 Cash Accounts****C43.51 Banking**

Authorization to consolidate bank accounts is issued by Treasury at Headquarters. Cost justification is required for any bank closing and consolidation. The mere fact that SFAP is implemented is not justification to close a local bank account. A cost-benefit analysis must accompany any request for consolidating bank accounts.

The DAO is responsible for administering all banking activity, such as (1) ensuring that all funds are transferred properly, (2) completing all bank reconciliations, and (3) handling returned items.

**C43.52 Cash Reserve**

All SFAP units needing to increase their authorized cash reserve must submit a written request to the district Finance manager. The maximum cash reserve for an SFAP unit is 5 percent of average daily stamp sales, unless a written authorization for a higher amount is issued by the district Finance manager.

## C5 Payments

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### C51 **Local Payments**

Authorized purchases greater than the value of two postal money orders are paid by the DAO on behalf of SFAP units. The DAO also processes all interim contract cleaner payments and all utility bills. Invoices must be certified for payment prior to submission to the DAO.

### C52 **Customs**

The DAO issues all customs payments on behalf of all SFAP Units.

## C6 Support Document Verification

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See chapter 2, section 23.

## Appendix D

# Information Crosswalk

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# Glossary

**accountable paper** — Postage stamps, stamped envelopes and cards, aerogrammes, international reply coupons, migratory bird hunting and conservation stamps, philatelic products, blank money order forms, and items awaiting destruction.

**accountable paper depository** — A stamp distribution office (SDO) designated to provide to other SDOs items such as emergency orders, reserve supplies of stamps that cannot be ordered through bulk requisitioning, and philatelic products produced by Postal Service contractors.

**accountbook** — A ledger system, provided at the beginning of each fiscal year, for recording all daily financial transactions.

**accountbook unit** — The postmaster or designee who maintains the cashbook and the statement of accounts.

**account identifier code** — A three-digit code used to classify financial transactions.

**advance deposits** — Funds received from customers and put on deposit for future services such as permit imprint, periodicals, business reply, postage due, and Express Mail accounts.

**associate office** — A post office in a customer service and sales district.

**automated clearing house** — A procedure for transferring from official post office bank accounts to the concentration bank without a depository transfer check.

**banking post office** — A post office that is not an SFAP unit and makes deposits into its own bank account.

**Bank Transaction Record** — Form 3176. This form is used at a banking post office to track all deposits, NDC transfers of funds, debits, and credits to the bank account.

**business mail entry unit** — An area in a postal facility designated to accept bulk mailings.

**bulk stock** — Stamp stock requisitioned from the Bureau of Engraving and Printing, Government Printing Office, and Stamp Fulfillment Services.

**cash portion of a stamp credit** — Cash and/or coins kept in a stamp credit to make change. This cash portion must not exceed 10 percent of the stamp credit or \$100, whichever is smaller.

**cash reserve** — Authorized funds on hand for making change. These are separate funds, not to be confused with the cash portion of a stamp credit.

**concentration bank** — A bank transferring postal funds from an official post office bank account to the New York Federal Reserve Bank, upon advice from the post office through the National Data Corporation.

**contract postal unit** — A retail unit that is operated for the Postal Service by an individual or company in the private sector in order to provide nearly all retail services to postal customers.

**contract station** — A contract postal unit located within the corporate limits of the city, town, or village served by the administrative post office.

**cost ascertainment grouping (CAG) codes** — A letter designation given to a post office based on its revenue units for a fiscal year.

CAG	Revenue Units	
	From	Through
A	356,250	and over
B	118,750	356,249
C	23,750	118,749
D	11,875	23,749
E	4,750	11,874
F	2,150	4,749
G	950	2,149
H	430	949
J	190	429
K	36	189
L	0	35

**daily financial statement** — A summary of the transactions that affect the postmaster's accountability for a given day. It is generated automatically each business day. This statement is authorized only to post to the accountbook.

**finance number** — The key element in editing, processing, and validating financial data.

**integrated retail terminal (IRT) unit** — A post office with a computer-based device that automatically calculates postage and fees and helps with the management of the financial operations.

**main stock** — All stamps and stamped paper, nonpostal items, and philatelic products that have not been consigned to a unit reserve or window clerk.

**National Data Corporation** — A service company used to transfer funds from a bank account by the Federal Reserve Bank.

**nonbanking office** — A post office that is also not an SFAP unit but makes deposits into a consolidated bank account administered by another post office or a district accounting office.

**non-IRT unit** — A post office that uses manual forms and/or documents to manage the financial operations.

**non-SFAP unit** — A post office where the postmaster or his/her designee prepares its own statement of account.

**nonsufficient funds checks** — Checks returned because of a closed account or insufficient funds.

**philatelic center** — A retail outlet that offers a variety of stamps, postal stationery, and philatelic products primarily to stamp collectors.

**postal funds** — All funds under the control or in the hands of postal personnel while performing their duties.

**postage validation imprinter** — An electronic device that works with an IRT to produce postage validation and destination ZIP barcode labels. It functions like an electronic postage meter.

**stamp credit** — The value of the stamp stock consigned to an employee from the main or unit reserve stock in an office.

**stamp distribution network** — A system that encompasses an area formerly serviced by multiple stamp distribution offices. It provides all accountable paper stock and defines ordering cycles for each unit (post office, station, branch, or contract station) within its service area regardless of size.

**stamp distribution office** — A section of a major post office that receives and disburses stamps, stationery, philatelic products, and nonpostal items. It provides stamps and stamp products for all post offices, stations, branches, and contract stations within its service area that are not authorized to order in bulk quantities.

**standard field accounting procedures** — The consolidation of several units, by way of data transmission, allowing one office to prepare a statement of account for all units under this concept.

**standard field accounting system** — The automated on-line information system used to consolidate and transmit the various financial transactions, usually located at the district accounting office.

**statement of account** — A report submitted on an accounting period or postal quarter basis through the district Finance office reflecting the financial activity for that period.

**statement of difference** — A form received from the accounting service center when a discrepancy is noted in the auditing of the statement of account.

**suspense** — An account receivable to the USPS that represents funds owed by either a customer, an employee, or an account.

**trust** — A liability account for which the USPS may owe service to a customer or it represents an amount for which a future claim can be made for the funds on deposit.



## Post Office Accounting Procedures

**unit ID** — A 4-digit identification assigned to each reporting unit in the SFAS. It is used as the lowest level of identification in data base records.

**unit reserve** — All stamps and stamped paper, nonpostal items, and philatelic products received from a main stock that have not been consigned to a window clerk.

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